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Crowdfunding Projects and Success Factors

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Abstract

Crowdfunding is a relatively new phenomenon that has evolved rapidly in recent years. The difficulty of accessing traditional sources of funding in conjunction with the economic crisis and the development of the internet, has resulted in crowdfunding now being considered as an alternative form of funding to classical sources. The intense academic interest and the frequent reference to crowdfunding from news websites, prove the importance of the phenomenon. Crowdfunding is growing at a high rate and all indications are that its growth will continue in the coming years. The easing of legal restrictions on the operation of the investment model, shows the future course of development of the phenomenon. Crowdfunding can be a very important financing and marketing tool for any type of companies. The general goal of the research is to investigate the factors that affect the success of crowdfunding and in particular the intention of the users of a platform to invest in a project on a developing market with slow adoption of innovation such as Greece. Based on that a primary research was conducted on a sample of crowdfunding platform users. The research tool was a questionnaire and the findings among others indicate that the higher the perceived creativity of a project, the higher the intention of a user to offer his money. Similarly, the higher the funders' positive affect reactions and perceived entrepreneurial passion, the higher the funding intention on a crowdfunding project. Finally, it can be concluded that only some of the project-related factors predict the funders' funding intention. To be more specific, the higher the perceived creativity and the funding coverage of a project, the higher the funders' willingness to invest. Furthermore, the lower the displayed funding goal of a crowdfunding project, the higher the funders' funding intention.

Key words: Crowdfunding, business success, perceived creativity

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Introduction

The narrow economic context in which businesses operate, the difficulty of accessing traditional sources of funding and at the same time the rapid development of technology and social media have brought crowdfunding to the forefront of the debate, as a new alternative form of financing. In its early stages, in the 90's, crowdfunding was associated with the financing of mainly creative industry activities (production of music albums or films, organization of concerts and theatrical performances, etc.). In this narrow context, crowdfunding remained known to a limited circle of people and operated without special rules. After 2006, it gradually began to be used as a form of funding for social media campaigns, which makes it more widely known. The creators manage to collect small contributions, in the form of donations or by promising reciprocal rewards, from many supporters using the possibilities of the internet. In the course of its evolution, the phenomenon of crowdfunding has managed to transform into an alternative method of raising funds for start-ups or other commercial ventures. The new institution allows new investors and businesses to find capital and turn their ideas into a commercial product, giving a share of their business to investors.

Crowdfunding works through a website where creators present their ideas or business plans. Supporters can contribute financially to the implementation of the idea, in return for some kind of service, or secure their share of the company's future profits.

Crowdfunding, in addition to being a form of financing, is also a direct marketing tool. The high or low response of supporters to a business idea allows creators to realize its dynamics. Also, the comments of the interested parties give the opportunity to the creators to improve their idea and bring their product closer to the consumer needs, a fact that will make it more attractive. In addition, it is a means of pre-selling the product. Crowdfunding websites also operate as e-commerce websites creating demand for products and business ideas. The dynamics of crowdfunding and its rapid growth as a form of financing is reflected in the expansion of the scope of the phenomenon, with the spread and spread of the form of the "investment model" (equity crowdfunding). From the initial stage of crowdfunding, we have moved on to crowdfunding. The supporter plays the role of the investor, placing his funds in the expectation of some return on his investment. In contrast to its original form of dissemination, where the supporter receives a service or product in exchange for his contribution, in the

investment model the investor receives preferred shares, mainly business startups, in exchange for the expectation of making a profit from his investment.

Crowdfunding can be a very important financing and marketing tool for any type of companies. The general goal of the research is to investigate the factors that affect the success of crowdfunding and in particular the intention of the users of a platform to invest in a project on a developing market with slow adoption of innovation such as Greece.

As the factors that can lead to the success of a crowdfunding project are concerned, prior researches have tested the importance of project characteristics, other studies focused on the funder factors and others emphasized the significance of founder characteristics. Regarding the project characteristics, past researches examined the influence of financial elements of a crowdfunding campaign to its success. Such elements constitute the money already collected for a project and the economic goal that has been set. Other academic articles directed at the presentation features, for instance the video and the description text. Some past studies investigated the relation of sociodemographic variables of the investors - funders and their experience in crowdfunding with the success of a crowdfunding campaign. Moreover, past literature underlines the relevance between the features of a founder of an idea with the funding intention.

The comparison of how important are the abovementioned variables, at the time they are all tested together, constitutes the distinction of this current research. May the project-related factors dominate the funders' decisions? Or may the funders care more about the founders' characteristics as the gender or the passion that founders reveal? Examining all these interrelations among the factors together will give us the opportunity to exclude more precise and definite deductions concerning the accomplishment of a crowdfunding project, namely the adequate funding intention.

Finally, the current study can be characterized interesting as it addresses a different stage of crowdfunding development in the market from other countries such as the United States of America and the United Kingdom. Therefore, focusing on a developing market with low innovation adoption levels will reveal the factors that can possibly affect the intention of consumers to invest and support. The study starts with the

literature review, following by theory, research methodology, the data analysis and it ends up with the research findings and conclusions.

Chapter 1 - Literature review

Given that the topic of crowdsourcing may be unfamiliar to some readers, I start by clarifying its meaning. Table A summarizes some recent and key definitions presented on the current paper and that they will be discussed in sections 1.1 to 1.3.

Table A: Key definitions of Crowdfunding

Authors	Definition
Vismara, 2019	the process of outsourcing to a large, often anonymous number of people, a "crowd of people", in this case the Internet Community and the use of their assets, data, resources, knowledge or expertise
Kuppuswamy & Bayus (2018)	a new method of financing a project by a group of individuals, in exchange for future products or funds
Cumming et al., 2020	the process by which one party, which finances a project, requests small contributions from the other party in exchange for some form of value for that party

1.1. Defining crowdfunding

The term "Crowdfunding" comes from the more familiar term "Crowdsourcing", which describes the process of outsourcing to a large, often anonymous number of people, a "crowd of people", in this case the Internet Community and the use of their assets, data, resources, knowledge or expertise (Vismara, 2019). In the case of crowdfunding, the goal is to get money. Crowdfunding professionals use different definitions for equity financing, often in a rather narrow sense (Hildebrand, Puri & Rocholl, 2017). According to Kuppuswamy and Bayus (2018), crowdfunding is a new method of financing a project by a group of individuals, in exchange for future products or funds. These projects can be business, cultural or social. Crowdfunding takes place without an intermediary: entrepreneurs "collect" money directly from

individuals. The typical way of communication is through the Internet. Chemla and Tinn (2020) argue that crowdfunding involves open invitation, mainly through the Internet, to provide financial resources either in the form of donations or in exchange for future products or some kind of reward for supporting initiatives for specific aims. The definition proposed by Cumming et al. (2020) is that crowdfunding is the process by which one party, which finances a project, requests small contributions from the other party in exchange for some form of value for that party. Co-financing is, in many ways, a “long tail” proposition (Cumming et al., 2020). There are many early-stage projects that do not receive the attention of larger investors, however the total amount of potential projects is difficult to understand.

1.2. Crowdfunding characteristics

Funding through crowdfunding is not always easy and many times entrepreneurs do not achieve the desired target amount. According to Vismara (2019) and the statistics he obtained from the largest crowdfunding platform, Kickstarter, claims that failed campaigns raise much less money than the target. As a rule, failed projects collect only 10.3% of the target amount. There are few cases in which the capital is bigger, among them, 10% gathers 30% of the initial target, while only 3% 50%. In this case, the initial course of the campaign plays an important role. If from the first days no supporters are found for an idea, then the potential financiers find it difficult to trust this project so that there is no more interest. In contrast, campaigns that manage to raise the desired funds do not deviate much from the original goal. Particularly, 25% of the projects collect an additional maximum of 3% of the predetermined target, while 50% raise an additional amount of 10% of the initial target. There are very few cases where a project far exceeds expectations, gathering up to 200% of the original goal, only one in nine. The campaigns that from the very first days attract the interest of the public and manage to raise 30% of the target amount, the chances of being successful increase rapidly. Kickstarter data show that usually in the first few days after the campaign starts, the capital accumulation amounts to 42% of the target (Hildebrand, Puri & Rocholl, 2017).

Apart from the idea itself, the main protagonist and determinant of the development of the project is the crowd. This ultimately decides whether an idea will become a reality as the active participation of all people involved in a campaign is required (Kuppuswamy & Bayus, 2018). The public has the role of traditional sources of

funding, ie they are able to evaluate the business idea and its quality and the chances of success (Alison et al., 2017). There are some signs that negatively predict the crowd and are likely to lead a campaign to failure. One of them is the increase of the initial target amount, which is often perceived either as a wrong budget or as having problems with the implementation of the idea or product. Also, extending the duration of a fundraising campaign is perceived as reduced entrepreneurial confidence, preventing the crowd from contributing. The likelihood of a campaign succeeding is also determined by the size of the inventors' social network (Vismara, 2019). With a large social circle, entrepreneurs are able to spread their idea more easily and quickly to a large number of potential supporters. In general, having a video that presents the business idea and business plan in an attractive way (can increase the chances of success by up to 26%) and constantly informing the public about the progress of the project are important factors for campaign success (Chemla & Tinn, 2020).

Negative impression on the crowd and often important elements for the success or failure of the campaign are created by the vague texts for the presentation of the project and the spelling or expressive errors, which prevent the sponsors from contributing to the creation of the idea (the chances of success reduced by up to 13%). Many times the above is even more important than the size of the social network (Vismara, 2019). In crowdfunding the entrepreneur gets the accumulated capital before the start of the project implementation. On the other hand, in traditional forms of financing the measures taken and the controls carried out are much stricter than in crowdfunding. From this, it can be concluded that crowdfunding due to laxity, can lead to a scam (Kuppuswamy & Bayus, 2017). The idea is implemented according to the budget and the stages that have been analyzed by the inventors since the beginning of the campaign. From the idea and its financing to its implementation, however, there is a difference and it is very likely that the plan and the implementation process will change, depending on the external factors and the difficulties that will arise. This is one of the reasons that a product or investor exchange may be delayed (Hildebrand, Puri & Rocholl, 2017). Data from Kickstarter (381 projects) showed that only 24.9% of campaigns manage to deliver on time. 3.6% of them (14 projects) were not consistent in delivering the rewards promised to investors. Also, campaigns that use one product in return, on average, delay delivery by 1.28 months while the rest delay by about 2.4 months. However, the delivery delay is not related to the type of project or the number of

investors (Kuppuswamy & Bayus, 2018). Finally, it is worth noting that although the platforms that manage crowdfunding, take action and carry out checks, fake and spam campaigns exist. Specifically, there have been campaigns where the data was false without being noticed. According to Kuppuswamy and Bayus (2017), the lack of repetitive interaction between inventive business ideas and investors increases the chances of fraud.

1.3. Types of crowdfunding

Fundraising in crowdfunding is done in two different ways, direct and indirect. In direct crowdfunding, the creator of an idea seeks funding from the crowd directly, through his own platform, for example his own website or through his audience (in the case of a band) (Ellman & Hurkens, 2019). In indirect crowdfunding, the creator appeals to the wide crowd to fund his idea. The medium that contributes to this is also a platform owned by third party. These two types of crowdfunding are often confused as a result of which mediation platforms are not used properly, for example entrepreneurs, instead of seeking funding directly from the crowd, use these mediation platforms (Ellman & Hurkens, 2019). Indirect crowdfunding is considered more economical, with the cost of creators' transactions being considerably lower than direct crowdfunding, as it consists of an open online invitation that can attract a large number of investors and on the other hand because the brokerage platform has a fixed end regardless of the number of supporters. This amount would clearly be much higher if the platform were not used, which would include a cost for each investor separately (Bento, Gianfrate & Thoni, 2019).

Another way to differentiate crowdfunding is to classify it as active or passive (Bento, Gianfrate & Thoni, 2019). In active crowdfunding, the supporters of the idea, in addition to the money they invest, are also involved in the production of each product, making proposals for the business course of the company, conducting product testing, helping to design the product, offering their knowledge, etc. In passive crowdfunding, communication between inventors and creators is limited to matters of their reward (Hildebrand, Puri & Rocholl, 2017). The crowd attracted to fund a campaign is important to be diverse, as it can help solve potential corporate problems more effectively (Bento, Gianfrate & Thoni, 2019).

1.4. Crowdfunding process

As mentioned above, crowdfunding is a relatively new method of financing based on the use of the Internet, in which individuals apply for project finance through specialized crowdfunding websites. The focus here is to raise a lot of small donations ("crowd" in the word crowdfunding) instead of asking for a single large sum from a funding organization. The process of crowdfunding takes a certain amount of time, which is from a single day to several weeks and attempts to meet the target amount of funding before the end of this campaign (Forbes & Schaefer, 2017). These websites are a tool for entrepreneurs who need funding for a project, which provides those who fund their project with a reward (Vulkan, Astebro & Sierra, 2016).

Different Crowdfunding models involve different "players" or parties who get involved in the process. Initially, it is the individuals who propose an idea or project in order to be funded by the crowd. The primary goal of these individuals is to gain instant access to the market and raise funds from their potential supporters / followers who are genuinely interested, which is why they use this process. On the other hand, there are many people who want and decide to support with their funding a proposed project in anticipation of some exchange, which carries risks in case the business idea does not succeed (Vulkan, Astebro & Sierra, 2016). Project sponsors / sponsors are the co-producers of the result, as they are the ones who choose which are the most promising and interesting ideas to develop. Finally, the third "player" is the Crowdfunding organization or platform, which undertakes to bring together those who took the initiative to carry out a project with its potential supporters. Catalytic role in the development of the Crowdfunding phenomenon was played by technological developments which created new perspectives for user interaction. In particular, with the advent of Web 2.0 technology, the creation of Crowdfunding platforms has made it possible for potential entrepreneurs and investors to interact so that a crowdfunding process can take place (Forbes & Schaefer, 2017).

Figure 1 describes the Crowdfunding process in detail. Initially, the potential entrepreneur submits his business idea to a Crowdfunding platform. The platform then evaluates the proposal, checking whether it is in accordance with the criteria of each platform so that it climbs the platform. Once the business idea is uploaded to the

platform, sponsors evaluate the idea based on the information provided and the following rules are followed (Vidra, 2012; Forbes & Schaefer, 2017):

- The Crowdfunding platform should share with potential supporters all the necessary information of the idea (rewards, target amount, duration of project funding, etc.).
- The initiator of the idea must make public the progress of the financing both in their networks and in other means in order to reach more interested investors.
- The interaction of the entrepreneur with potential supporters / followers through the platform for the solution of questions related to the idea / project is crucial for the success of the financing. The advantages of this process concern both parties, as well as inventors benefit from the questions and clarifications of other investors.
- If the goal of collecting the necessary amount of money for the implementation of the idea is not achieved, the money raised up to that point is returned to the investors. However, if the goal is achieved, the platform further evaluates the idea, before the money is given to the idea initiator who can be a person or a company.
- After the end of the Crowdfunding process, the interaction and communication between the entrepreneur and the supporters / followers continue, depending on how active or passive the investors are. In some cases, investors of the idea receive in return the right to vote on important business issues, while continuing to be supporters of Crowdfunding.



Figure 1: Crowdfunding process (source: Vidra, 2012)

The above procedure concerns one of the two models used for the Crowdfunding process, ie the idea receives funding only if the target amount is reached. In the second model, the entrepreneur keeps the money collected, even if the desired target amount is not achieved. Finally, it is worth noting that the respective Crowdfunding platform follows and implements different policies and rules (Kuppuswamy & Bayus, 2018). It is a common phenomenon for entrepreneurs to create a campaign on a well-known crowdfunding platform, taking advantage of the popularity of the platform and the process to reach the crowd (investors) to finance their idea. This is because crowdfunding is an easy and flexible method of financing a business idea that needs to be widely known to "entice" investors to fund it. At the same time, it is superior to the "traditional" financing models as it adapts more easily to changing needs and there is less risk of failure. Vulkan, Astebro and Sierra (2016) show that crowdfunding is more effective in approaching potentially interested supporters / followers compared to traditional financing methods, saving time that would have been wasted on multiple phone calls and meetings. The dynamics of crowdfunding has increased significantly due to the accessibility of the internet by most people now (Forbes & Schaefer, 2017). A key component of crowdfunding is the connection between the platforms of this

process and social media, as research shows (Kuppuswamy & Bayus, 2018). As mentioned above, the platforms allow supporters / followers to communicate on the idea page with entrepreneurs but also with each other, so they can also be considered as social media. Through the internet, an entrepreneur can communicate cheaply with many potential supporters without the presence of an intermediary (Vismara, 2018). Ideas that seek funding through crowdfunding come from many different fields, from funding to create an innovative product or implement an idea to producing a film or funding a charity. The platforms used in this process offer a check for the smooth operation and proper disclosure of the idea to the public (Hildebrand, Puri & Rocholl, 2017).

1.5. Crowdfunding models

Through crowdfunding there is a possibility of financing projects from different sectors and at different scales as there is also a differentiation of the type of financing that is facilitated depending on the occasion. Typology may be difficult in this industry, but in general crowdfunding can be classified into one of the following four models. Table 2 summarizes the available crowdfunding models.

Table 2: Crowdfunding models

Model	Description
Donation model	Used for charities or fundraisers
Reward model	Supporters receive a reward for their donation
Lending model	Supporters receive small portions of the total loan
Equity model	Supporters receive equities for their donation

1.5.1. Donation model

The Crowdfunding donation model is primarily a tool for charities or fundraisers for social or charitable projects to reach out to an online community and then be able to donate money to a project (Wash & Solomon, 2014). Crowdfunding activities with this model represent a small percentage of total Crowdfunding activities (approximately 22% in 2011) (Hildebrand, Puri & Rocholl, 2017). While most established charities facilitate this process through their own website, crowdfunding platforms can be useful for smaller organizations and individuals who raise money for

personal or specific charitable purposes. There are also a number of charities setting up crowdfunding initiatives to allow donors to contribute to specific projects rather than the charity as a whole (Lehner, 2013).

1.5.2. Reward model

The rewards model is the most popular crowdfunding model that has developed significantly especially in the financing of creative, social and business projects. This model allows interested people to contribute to projects and receive non-financial rewards in return, usually a system is implemented where the higher the amount donated, the better the reward. The model often looks like a charity with the donation far exceeding the monetary value of the reward. In many cases an important benefit for the entrepreneur is that the reward is low cost but has significant value to the financier, such as the experience or rewards associated with recognizing their contribution (Gierczak, Bretschneider & Leimeister, 2014). These rewards could range from thank-you notes to the potential investor's name on the cast of films that are to be funded through crowdfunding (Bi, Liu & Usman, 2017). For some projects the model may be considered similar to a pre-sale agreement. In these cases, the entrepreneur or artist finances the cost of producing the record, film, game or product they wish to implement and allows donors to be the first recipients once production is completed and at a lower price (Bi, Liu & Usman, 2017). The reward model is implemented by major international crowdfunding platforms such as Kickstarter, Indiegogo and PledgeMusic, as well as websites such as: WeFund, Bloom VC and Pleasefund.us in the UK. One benefit of this model is that, unlike other forms of crowdfunding, the money does not have to be refunded. It also allows those seeking funding to retain control of their project without having to give a share to the proponents of the idea. However, not all business ideas are designed to work with the reward model. For example, a business may be able to serve a small customer base or not be able to provide financiers with the kind of rewards they are interested in (Gierczak, Bretschneider & Leimeister, 2014).

1.5.3. Lending model

In lending projects, individuals or companies seeking financing apply through the platform by uploading their idea, with people in the crowd taking small portions of the total loan (Moysidou & Hausberg, 2020). A feature of the crowdfunding lending model is the transparency about who lends and what. Some social media platforms offer

loans with no or very low interest rates, such as BuzzBnk (Buttice, Colombo & Wright, 2017). Perhaps the most important example of a crowdfunding site that does not offer an interest rate is Kiva. Kiva provides funds to small lenders in 66 different countries worldwide (Moysidou & Hausberg, 2020).

1.5.4. Equity model

The final formula is crowdfunding to invest in equity or to distribute profits / income to companies or projects. This model had the slowest growth due to regulatory constraints on this type of activity (Blace & Grubisic, 2017). This model exists and is applied mainly in Europe and to some extent in Australia. There are no websites in Canada that support this funding model due to regulatory issues related to the sale of securities (Motylska-Kuzma, 2017). Some European platforms have pioneered the Equity Model, allowing anyone to take a small stake in an unregistered or private company through crowdfunding. The largest sites offering this model in the UK are Crowdcube and Seedrs. This is a good source of capital and because there is no ceiling on what an investor could do if a company that has invested is doing well, it can be a valuable source of funding for those businesses that are high risk but have great potential (Blace & Grubisic, 2017). Another promising German website that seems to be successful in this capital model is SellABand.com. This site is funded through donations as well as investments to fund independent musicians trying to complete a music album (Motylska-Kuzma, 2017).

Finally, it should be noted that while most platforms run on just one of the models mentioned earlier, there are some platforms that run hybridly, combining some of the above models (Zhao & Sun, 2019). Different forms of the model can be complementary as well as substitutes. Examples of hybrid platforms are Buzzbnk offering Reward Model and Lending Model and BankToTheFuture offering Reward Model, Lending Model and Equity Model (Zhao & Sun, 2019).

Chapter 2 – Theory: Key factors affecting funders’ intention to invest in crowdfunding projects

The question that concerns someone who first comes in contact with the concept of crowdfunding, is “why does someone give their money so as to benefit a stranger?”.

2.1 Players involved: Founders, Funders and Platforms

Three different parties are involved in the crowdfunding process, the founders (i.e., creators of the idea or project), the funders (i.e., those who are willing to sponsor the idea or project), and the platform (i.e., a website that brings the two previous parties in contact; see Bruntje & Gajda, 2016). Each party has its own motivations and aspirations from participating in the crowdfunding process.

A *founder* seeks funds from crowdfunding, because under certain conditions, he/she can achieve lower borrowing costs than traditional sources of funding. The cost can be reduced, because in crowdfunding the creator addresses a pool of investors who have common interests with the creator (Cumming, Leboeuf & Schwienbacher, 2020). Also, through a crowdsourcing platform, the founder has the ability to address a large number of potential investors and not be limited geographically only to investors who are close to the creator. This reduces the cost of financing it, because it is aimed at a large number of investors who contribute small amounts compared to traditional sources, which are usually small and contribute large amounts (Cumming, Leboeuf & Schwienbacher, 2020).

Funders may sponsor the founders’ ideas or projects because they want to use a particular product ahead of the market, or because they may want to invest in the capital of the founder’s company as they find the idea close to their interests and/or they believe they can profit from such investment.

The crowdfunding *platform* is a website that brings the two previous parties in contact (Bruntje & Gajda, 2016). Examples include Kickstarter and Indiegogo. These websites can help founders more quickly access funding and they also work as a tool for founders to promote their products or ideas. Specifically, the products can be displayed in their

initial stage and contribute to the creation and increase of their future demand. Crowdfunding campaigns also attract media attention, which can help increase product demand. Promotion through crowdfunding can be particularly constructive for products around which many complements can be created in parallel (Cumming, Leboeuf & Schwienbacher, 2020). The pre-release of the new product gives other developers the necessary time to proceed with the design and implementation of complementary products. The existence of a variety of complementary products will cause an increase in demand for the main product (Cumming, Leboeuf & Schwienbacher, 2020).

In essence, crowdfunding platforms are profit oriented businesses. The source of their revenue comes from the percentage they withhold from the funds raised by the campaigns. This amount usually ranges from 3% to 5% and varies depending on the crowdfunding format offered by the website. Only in the form of “All of Nothing”, when the campaign does not achieve its goal, no percentage is withheld from the platform and the amount raised is returned to the supporters as it is. Websites also charge supporters a rate of 3-5% on transaction costs (Hornuf & Schwienbacher, 2017). Websites maximize their profits by hosting campaigns that will raise large amounts of funding. Therefore, they try to increase both the number of campaigns they attract and the amount of their funding. Their goal is to attract campaigns with original but feasible ideas, with realistic goals and a serious implementation team. The quality features of the campaign are what will persuade supporters to fund. Through intensive monitoring and evaluation, they try to reduce fraud and reduce the potential risks to which supporters may be exposed. All efforts are aimed at attracting large communities of creators and supporters and creating that market that will facilitate and strengthen their efforts (Hornuf & Schwienbacher, 2017).

In this thesis, I examine factors related to the funder and the founder that may influence the funder’s willingness to invest in a project. Before these, I start by examining project-related factors (e.g., financial requirements) which are often assumed as the primary influencers of funders’ willingness to invest in a project. I discuss each in turn.

2.2 Project factors

First, it is often assumed that investors – in this case funders in a crowdfunding platform - decide to invest based on project-related factors, namely the financial effort required by a specific project, and the potential gains they expect to obtain from such investment. For instance, in chapter 1.2, the failure rate of crowdfunding projects and the importance of the funding goal (how much the founder asks) and the funding coverage (i.e., how much the founder has already gathered for the project) as determinants of funders' willingness to invest were discussed. Therefore, these effects will be empirically examined and they are expected to have an impact on crowdfunding success.

Besides a project's funding coverage and funding goal, there are also “presentation” project-related factors that may be important. For instance, prior research shows that the extent to which a crowdfunding platform uses gamification techniques influences funders' willingness to invest (Moysidou & Hausberg, 2020). Gamification is the use of techniques used in video games and other activities (Walthoff-Borm, Schwienbacher & Vanacker, 2018). Through gaming, the user can interact and participate in applications of a platform or a page. As Bruntje and Gajda (2016) state, any application, task or process can theoretically become a game point. This suggests that aspects not directly related to the project itself, but how the project is presented to funders may be important determinants of crowdfunding success. To examine this possibility, “presentation” characteristics such as a project's video length and narrative length (word count) will be examined.

Investors in many cases give more importance to the product itself – e.g., how novel and useful it is - than to its financial characteristics (Mitteness et al., 2012). The fact is that many of the products that seek financing are not able to prove their quality characteristics, with the result that investors rely on subjective views and data in their decision (Maxwell & Lévesque, 2014). It is also a fact that investors due to the lack of valid information, in many cases make decisions based on elements such as *product creativity*, i.e., the extent to which a product or idea is perceived as novel and useful. Specifically, in crowdsourcing, product creativity refers to the extent to which a proposed idea or project differs from existing ones (novelty), and is perceived as important to users, i.e., it creates value that exceeds that of existing alternatives (usefulness). Consequently, product creativity is defined as the degree to which a

product represents a significant differentiation and upgrade compared to existing products on the market (Maxwell & Lévesque, 2014).

Moreover, given that basically failed products are often not characterized by creativity, potential financiers can judge a product's level of creativity as an indicator of potential market performance (Keller, 2012). In particular, creativity can be linked to the performance of a product while it can evoke positive emotions in the receivers. The fact is that Crowdfunding platforms emphasize and enhance creativity as a feature of the ideas they promote (Maxwell & Lévesque, 2014). In sum, I expect perceived creativity of an idea or project to influence funders' likelihood of sponsoring that idea.

Besides funding coverage, funding goals, "presentation" aspects and perceived creativity of an idea, there are other project-related factors that may drive funders' willingness to invest. These factors were considered outside the scope of this thesis; however, some relative literature is available on the Appendix 4: The four categories of financial effort and the survey of University of Athens.

2.3 Funder factors

Funders may also decide to invest in a project for reasons other than its project-related characteristics. The will of the funder or financier stems from the moral satisfaction he will receive and from the feeling of the offer that will complete him as a person. Crowdfunding decisions are human and social in nature, i.e., funders often want to help their fellows with the goal of survival (Kraus et al., 2016). In the context of this behavior, a funder can finance an effort without any financial benefit.

The sociodemographic elements of funders may influence their willingness to invest in a crowdfunding project. To be more specific, such elements comprise the gender, the age group, the profession, the educational level as well as the annual income and the social circle in which they belong. The profession together with the educational level for instance may affect the knowledge and the approach concerning the subject of a crowdfunding project. Additionally, annual income as well as the social circle can influence the decision making of a potential funder as he/she may speculate on the purposes and the results of a possible investment.

Additionally, the prior experience of a funder in the field of crowdfunding can affect his/her willingness to fund over and above the project characteristics, as the perceived creativity, the funding coverage, the funding goal and the presentation factors (narrative – video length). Besides this point of view, funders may have ulterior motives to sponsor crowdfunding projects, for instance the tax reductions or the personal benefits.

2.4 Founder factors

Characteristics of the founder may also influence funders' willingness to invest. For example, prior research shows that besides the funder's gender, also a founder's gender may influence funders' decisions (Gorbatai & Nelson, 2015; Chaudhuri et al., 2013). Many studies have illustrated that the founders' gender influences economic and corporate decisions. More particularly, the trustworthiness of the founders is determined by their gender, as females are characterized by higher reliability than males (Chaudhuri et al., 2013). According to Gorbatai and Nelson (2015), positive emotion and appropriate language can contribute to an increased funding intention. They proved that women are more capable of using positive, active and inclusive language providing an explanation that women tend to be more successful in crowdfunding. Therefore, founder's gender is included in the research model.

In addition, funders may be influenced by the image and “energy” of the entrepreneur (Mittiness et al., 2012). For example, Baron et al. (2006) found that investors are more likely to evaluate new products more favorably when promoted by attractive entrepreneurs. Therefore, characteristics of the entrepreneur, such as the passion with which he talks about his idea, can also influence the intention of financing from funders (Cardon et al., 2013). Consequently, founder's entrepreneurial passion – as perceived by the funder (in short, perceived entrepreneurial passion) – is also included in the model.

In addition, funders' positive emotional reactions when evaluating an idea or project may also directly influence their final decision regarding whether or not to sponsor such idea or project (Davis et al., 2017). Indeed, when individuals experience a positive emotional state, they are more likely to focus on positive information and not focus on

potential negative ones (Davis et al., 2017). In the context of crowdfunding, positive emotional response has been linked to the intention to provide funding (Davis et al., 2017).

2.5 Conceptual Framework

The discussion above can be synthesized and illustrated in the following conceptual framework thesis (see Figure 2).

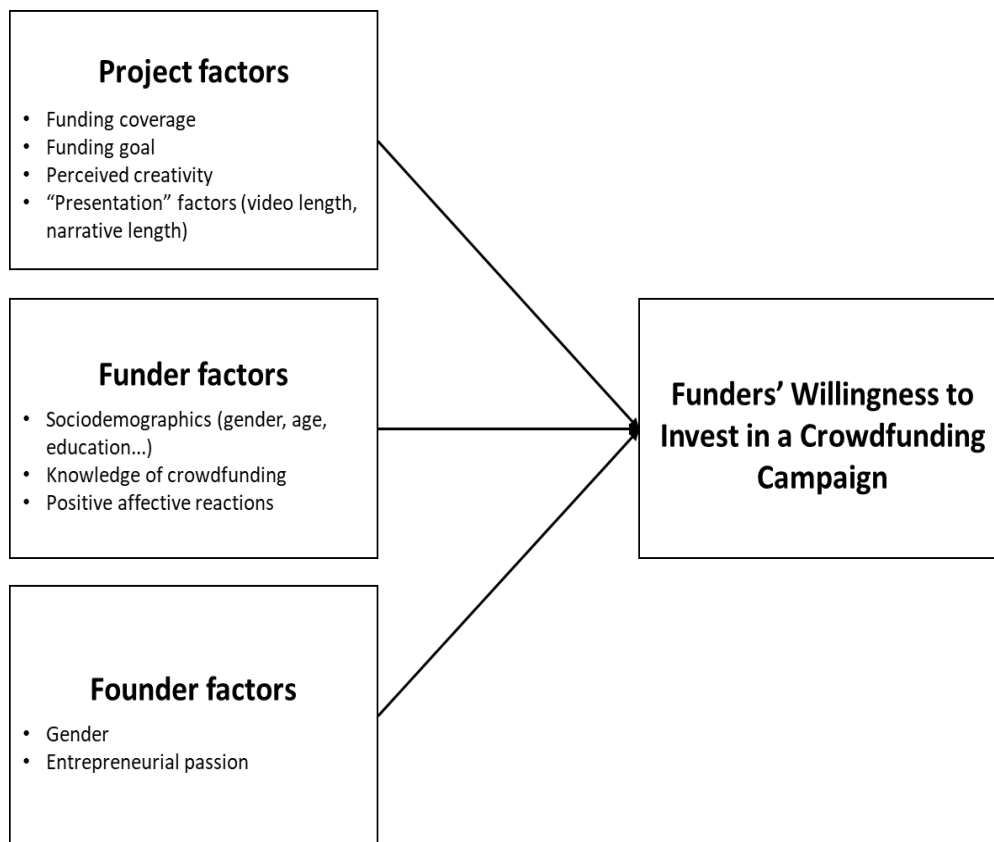


Figure 2 – Conceptual Framework – Drivers of Funders’ Willingness to Invest in Crowdfunding Campaigns

In sum, the general goal of the research is to investigate the factors that affect the success of crowdfunding and in particular the intention of the users of a platform to invest in a project. Based on the purpose of the research, the influence of project, funder and founder factors in funders’ willingness to invest in a crowdfunding campaign are empirically examined. By doing so, the following research questions will be answered:

1. Are project-related factors more important than funder and founder factors in determining willingness to invest?
2. Within project-related factors, is there a statistically significant correlation between funding intention and perceived creativity?
3. What about “presentation” characteristics? Do they play a role? In other words, is there a statistically significant correlation between the funding intention and Narrative length and Video length?
4. Which funders’ factors influence funders’ decisions?
5. In terms of founders’ factors, does founder’s gender play a role in funder’s decisions? What about perceived entrepreneurial passion?

Chapter 3 - Research Methodology

The present research can be characterized as quantitative and the choice of this method was made to best serve the objectives of the research as well as based on the characteristics of the quantitative method (Ghauri, Gronhaug & Strange, 2020).

3.1. Questionnaire and Measures

The questionnaire was selected as the data collection tool in this research paper (see Appendix 1). In particular, the advantages of the questionnaire were the reason for its selection. Speed of data collection, accuracy, and the ability to make correlations are the main advantages of using the questionnaire as a data collection tool (Ghauri, Gronhaug & Strange, 2020). The questionnaire was created based on previous research on crowdfunding and specifically, the questionnaire consists of highly reliable and valid scales that have been used in previous studies. Particularly, the scales of the questionnaire were the following:

- Perceived creativity was measured with the 10 items scale of Andrews and Smith (1996)
- Funders' positive affective reactions were measured with the 10 items scale of Watson, Clark and Tellegen (1988), and
- Perceived entrepreneurial passion was measured with the 6 items scale of Chen, Yao and Kotha (2009).

The first section lists the demographic characteristics of the respondents, namely gender, age, educational level, occupation, annual income and internet usage per day. The second section deals with the knowledge of crowdfunding, its advantages and disadvantages (see Appendix 2, where advantages and disadvantages of Crowdfunding are thoroughly analyzed). The third section includes the questionnaire on perceived creativity. The fourth section lists respondents' answers to questions about Funders' positive affective reactions. Finally, the fifth section includes questions about perceived entrepreneurial passion. All sections use either ordinal scales or 7-point Likert scales.

Reliability analysis

The following table 16 presents the evaluation of the reliability of the questionnaire, by measuring it with the internal consistency index Cronbach a. The findings indicate that the questionnaire presents some issues regarding reliability since not all sections present Cronbach a, over to 0.70.

Table 16: Reliability analysis

Dimension	Cronbach's Alpha	Items
Perceived creativity	.952	10
Funders' positive affective reactions	.580	10
Perceived entrepreneurial passion	.537	6

3.2. Sampling

The selection of the sample refers to the taking of a number of respondents from the wider set (Ghuri, Grønhaug & Strange, 2020). In particular, the research population is the total of possible respondents that can be selected during the research process (Ghuri, Grønhaug & Strange, 2020). In the present survey the target population is internet users, with the final sample of the survey being 100 people. The selection of respondents was done randomly via the internet. In particular, simple random sampling was chosen, in which participants were essentially randomly selected from a sampling frame. This sampling method has several advantages with the most basic collection of large volumes of data but also the safe generalization of results.

3.3. Research process

The sample in the present study were internet users. The survey was conducted between July 15 and 20 and the questionnaire was completed by 100 respondents. Each respondent was directed via the corresponding link to the project page on the crowdfunding platform Kickstarter, where they watched the available video and read the relevant information (see the relevant Crowdfunding Projects in Appendix 2). He was then asked to answer the survey questionnaire (analytically see Appendix 1). A total of 10 projects were used and for each of them 10 respondents answered the questionnaire. In all cases the questionnaire was sent online and the respondents were

informed about the use of the data only for the purposes of the research, the anonymity of their participation and the reason for conducting the research.

3.4. Data Analysis

The analysis of the research data was performed using the statistical package SPSS 26.0 as well as using tables and charts. Regarding the statistical tests, the analysis of variance (ANOVA) was used to compare means between a quantitative in the categories of a qualitative variable and the Pearson statistical test was used to compare the correlation between two quantitative variables. Simple linear regression was also used to predict funding intention. Finally, the hypothesis control procedure was used to interpret the results, at a significance level of 0.05.

Chapter 4 - Results and Data Analysis

The current chapter presents the findings from the primary research. Descriptive statistics will present the answers of the respondents on every question, while inferential statistics will test statistically significant relationships.

4.1. Descriptive statistics

Section 1 Perceived creativity

- 1) Please state your opinion regarding the adjectives that describe more the product / service idea you just show.

Table 1 presents the answers of the participants regarding the statements of perceived creativity. Particularly, overall, perceived creativity presents a mean of 3.99 (SD = 1.52) which can be characterized as average. Moreover, the projects presented to the respondents were mostly characterized as unique (M = 4.07), exciting (M = 4.05), novel (M = 4.05) and unusual (M = 4.04).

Table 1: Perceived creativity

	1	2	3	4	5	6	7		Mean
Dull	12	12	16	16	18	15	11	Exciting	4.05
Routine	11	13	16	21	12	17	10	Fresh	4.01
Conventional	11	20	10	15	21	14	9	Unconventional	3.93
Predictable	9	20	12	13	17	20	9	Novel	4.05
Usual	5	17	18	18	19	17	6	Unusual	4.04
Ordinary	10	12	18	17	17	16	10	Unique	4.07
Commonplace	6	16	19	20	19	18	2	Original	3.92
Warmed over	12	16	13	16	16	12	15	Trendsetting	4.04
Average	13	17	12	17	21	14	6	Revolutionary	3.82
Nothing special	8	20	15	18	12	15	12	An industry model	3.99
Overall perceived creativity								3.99 (SS = 1.52)	

Moreover, analyzing the data per project, it can be stated that there are significant differences between the projects in terms of perceived creativity ($p < 0.05$). Specifically, projects 2, 4 and 7 are rated higher than all the others, while there are projects such as 5 and 8 which are rated very low (Table 2).

Table 2: Perceived creativity by project

Project	Dull / Exciting	Fresh / Routine	Conventional / unconventional	Novel / Predictable	Usual / unusual	Unique / Ordinary	Commonplace / Original	Trendsetting / warmed over	Average / Revolutionary	Nothing special / an industry model	Mean
1	3.70	3.90	3.20	2.90	3.00	3.90	3.50	3.40	2.50	3.30	3.33
2	6.00	6.20	6.20	6.10	6.50	6.20	6.00	6.40	5.90	6.30	6.18
3	5.40	4.50	4.70	4.90	4.50	4.70	4.30	5.10	4.40	4.90	4.74
4	5.90	5.90	5.70	6.10	5.70	5.80	5.70	6.20	5.80	5.80	5.86
5	1.50	2.20	1.80	3.20	2.40	2.10	2.40	2.30	2.90	1.80	2.26
6	5.00	4.80	4.90	4.90	4.50	5.20	4.40	5.00	4.70	5.10	4.85
7	5.30	5.40	5.20	5.80	5.20	5.50	4.80	5.20	5.20	4.80	5.24
8	2.00	2.20	2.50	2.30	2.70	2.30	3.00	1.90	2.20	2.50	2.36
9	3.20	2.80	2.20	2.30	3.00	2.50	2.80	3.10	2.00	3.00	2.69
10	2.50	2.20	2.90	2.00	2.90	2.50	2.30	1.80	2.60	2.40	2.41
Overall Mean	4.05	4.01	3.93	4.05	4.04	4.07	3.92	4.04	3.82	3.99	-
Overall creativity					3.99 (SS = 1.52)						

Section 2 Funders' positive affective reactions

2) After watching the product / service idea, to what extent do you feel the following

Table 3 presents the answers of the participants regarding the statements of Funders' positive affective reactions. Particularly, overall, Funders' positive affective reactions present a mean of 4.20 (SD = .532) which can be characterized as over the average. Moreover, the respondents state that after watching the product / service idea they mostly feel enthusiastic (M = 4.43), attentive (M = 4.36), active (M = 4.28) and inspired (M = 4.28).

Table 3: Funders' positive affective reactions

		1	2	3	4	5	6	7	Mean
1	Interested	3	14	20	20	35	7	1	3.95
2	Excited	3	12	2	29	37	5	2	4.08
3	Strong	4	2	22	24	42	4	2	4.18
4	Enthusiastic	-	1	8	39	51	1	-	4.43
5	Proud	1	11	21	17	39	2	9	4.24
6	Alert	8	3	24	15	34	11	5	4.17
7	Inspired	-	1	20	40	32	3	4	4.28
8	Determined	-	5	28	24	38	4	1	4.11
9	Attentive	-	3	3	56	33	3	2	4.36
10	Active	2	1	18	41	24	12	2	4.28
Overall Funders' positive affective reactions							4.20 (SD = .532)		

Moreover, analyzing the data per project, it can be stated that there are significant differences between the projects in terms of funders' positive affective reactions ($p < 0.05$). Specifically, projects 2, 3 and 4 are rated higher than all the others, while there are projects such as 1 and 8 which received an average rate (Table 4).

Table 4: Funders' positive affective reactions by project

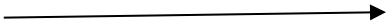
Project	Interested	Excited	Strong	Enthusiastic	Proud	Alert	Inspired	Determined	Attentive	Active	Mean
1	3.30	3.50	3.60	4.70	3.20	3.20	3.90	4.10	3.90	3.50	3.69
2	3.60	5.10	4.60	4.70	6.00	5.70	5.30	4.10	4.80	4.40	4.83
3	4.50	4.40	4.50	4.40	4.90	4.70	4.80	4.00	4.70	5.10	4.60
4	5.30	5.20	4.50	4.70	5.20	4.20	4.60	5.20	4.50	5.60	4.90
5	3.30	3.40	4.20	4.50	3.60	4.30	4.10	3.80	4.30	4.00	3.95
6	4.40	4.10	4.50	4.60	4.00	4.40	3.80	4.20	4.10	4.40	4.25
7	4.50	3.60	4.30	4.50	4.20	5.00	4.40	4.30	4.00	4.10	4.29
8	3.80	3.70	3.60	4.20	3.10	3.00	4.00	4.00	4.30	3.90	3.76
9	3.50	4.40	4.00	4.30	3.90	3.60	3.90	3.60	4.60	3.70	3.95
10	3.30	3.40	4.00	3.70	4.30	3.60	4.00	3.80	4.40	4.10	3.86
Overall Mean	3.95	4.08	4.18	4.43	4.24	4.17	4.28	4.11	4.36	4.28	-
Overall Funders' positive affective reactions					4.20 (SD = .532)						

Section 3 Perceived entrepreneurial passion

3) Please state the degree of your agreement or disagreement with the following statements

Table 5 presents the answers of the participants regarding the statements of perceived entrepreneurial passion. Particularly, overall, perceived entrepreneurial passion presents a mean of 3.93 (SD = .686) which can be characterized as below the average. Moreover, the respondents state at greater degree that the presenter's face lit up when he/she or he talked (M = 4.22), that the presenter(s) used a lot of gestures (M = 4.19), and that he / she showed animated facial expression (M = 3.94).

Table 5: Perceived entrepreneurial passion

		Strongly disagree 						Strongly agree	Mean
		1	2	3	4	5	6	7	
1	The presenter(s) had energetic body movements.	-	17	14	40	22	3	4	3.92
2	The presenter(s) had rich body language.	3	6	42	26	15	6	2	3.70
3	The presenter(s) showed animated facial expression.	1	7	29	26	35	1	1	3.94
4	The presenter(s) used a lot of gestures.	2	4	22	27	37	6	2	4.19
5	The presenter's face lit up when he/she or he talked.	2	6	8	43	35	5	1	4.22
6	The presenter(s) talked with varied tone and pitch.	11	16	21	20	20	4	8	3.66
Overall Perceived entrepreneurial passion							3.93 (SD = .686)		

Moreover, analyzing the data per project, it can be stated that there are significant differences between the projects in terms of perceived entrepreneurial passion ($p < 0.05$). Specifically, projects 2, 3 and 7 are rated higher than all the others, while there are projects such as 5 and 8 which received an average rate (Table 6).

Table 6: Perceived entrepreneurial passion per project

Project	1	2	3	4	5	6	Mean
1	3.60	3.40	3.50	3.30	4.20	3.70	3.61
2	5.30	5.20	4.20	5.30	4.90	5.30	5.03
3	4.20	4.50	4.10	4.90	4.70	4.50	4.48
4	4.10	3.60	3.70	4.00	3.70	2.40	3.58
5	3.20	3.00	3.50	3.80	4.10	2.90	3.41
6	3.70	3.70	4.50	4.60	4.40	4.60	4.25
7	4.20	4.10	4.30	4.60	4.40	4.00	4.26
8	3.60	3.10	4.00	3.80	3.90	2.80	3.53
9	3.60	3.20	3.70	3.80	3.70	3.70	3.61
10	3.70	3.20	3.90	3.80	4.20	2.70	3.58
Overall Mean	3.92	3.70	3.94	4.19	4.22	3.66	-

Section 4 Intention to fund the project

4) At what degree do you intent to fund the project?

Table 7 and the additional figure 1 present the answers of the participants regarding their intention to fund the project. Particularly, 29% of the participants express a neutral intention to fund the project, 26% show low intention while 15% presents high intention to fund the project.

Table 7: Intention to fund the project

	Frequency	Percent	Valid Percent	Cumulative Percent
No intention	20	20.0	20.0	20.0
Low	26	26.0	26.0	46.0
Neutral	29	29.0	29.0	75.0
High	15	15.0	15.0	90.0
Very high	10	10.0	10.0	100.0
Total	100	100.0	100.0	

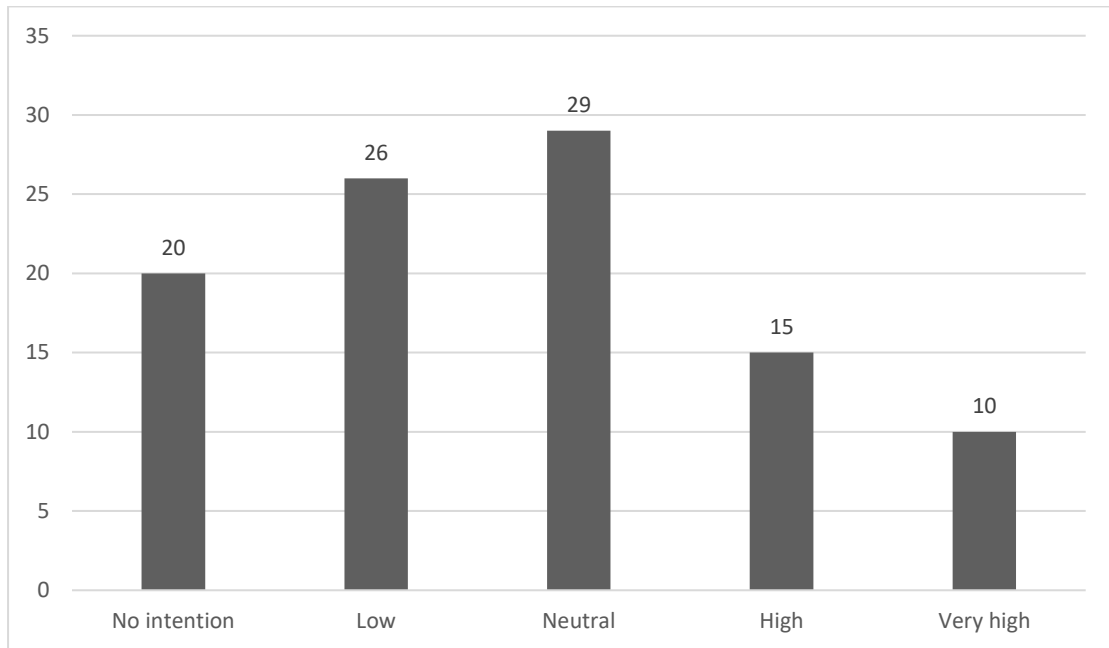


Figure 1

Moreover, analyzing the data per project, it can be stated that there are significant differences between the projects in terms of intention to fund the project ($p < 0.05$). Specifically, projects 2 and 4 are rated higher than all the others, while there are projects such as 5 and 8 which received a very low rate of funding intention (Table 8).

Table 8: Intention to fund the project by project

Project No.	Mean	Std. Deviation
1	2.40	.51640
2	4.90	.31623
3	3.50	.52705
4	4.00	.47140
5	1.50	.52705
6	3.00	.47140
7	2.70	.48305
8	1.30	.48305
9	1.80	.78881
10	1.80	.78881
Total	2.69	1.23660

Project related metrics

Table 9 presents project related metrics. Particularly, the average video length was 2.18 min (SD = .961), the average word count on the project description was 59.8 words (SD = 29.904), the funding goal on average was 27.087 euros and the funding coverage was very high with 2.491%.

Table 9: Project related metrics

	N	Minimum	Maximum	Mean	Std. Deviation
Video length	100	.54	3.44	2.1860	.96156
Narrative length (word count)	100	22.00	108.00	59.8000	29.90490
Funding coverage	100	55.00	12667.00	2491.1000	3928.62143
Funding goal	100	5000.00	65426.00	27087.3000	18934.43651

Moreover, regarding presenter's gender, on 70% videos include actors from both genders, while 20% of them use only female actors and only 10% male actors (Table 10, Figure 2).

Table 10: Presenter's gender

	Frequency	Percent	Valid Percent	Cumulative Percent
Male	10	10.0	10.0	10.0
Female	20	20.0	20.0	30.0
Both	70	70.0	70.0	100.0
Total	100	100.0	100.0	

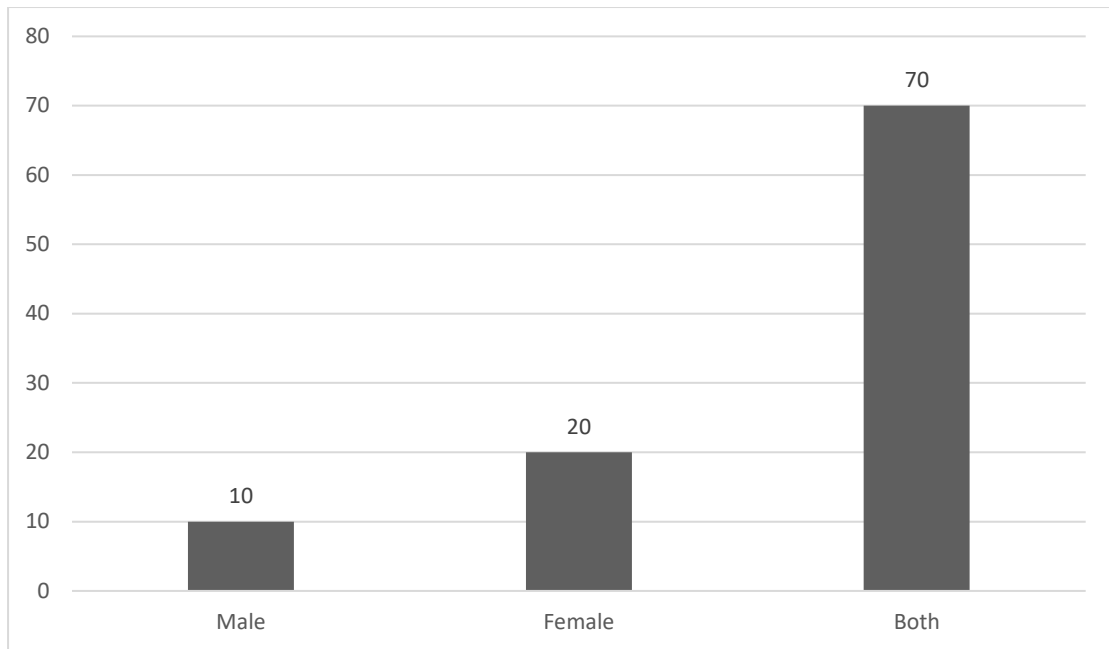


Figure 2

Section 5 Funders' Sociodemographic variables

Table 11 presents the answers of the respondents regarding their demographic variables. Particularly, 62% of the participants were males, 34% were from 25 to 35 years old, 32% from 36 to 55 years and 22% from 18 to 25 years old, as well as half of the participants hold a masters' degree, while 27% has a bachelor degree. Moreover, 32% of the respondents were public servants, 28% were private sector employees and 27% freelancers, 56% earn less than 20.000 euros per year, while 29% from 20 to 40.000 euros per year. Finally, 63% of the participants use the internet from 1 to 5 hours per day, while 28% does it from 5 to 10 hours.

Table 11: Demographic variables

Variable		Frequency	Percent
Gender	Male	62	62.0
	Female	38	38.0
Age	18-25	22	22.0
	25-35	34	34.0
	36-55	32	32.0
	Over 55 years old	12	12.0
Educational level	High school	17	17.0
	Bachelor degree	27	27.0

	Masters' degree	50	50.0
	PhD	6	6.0
Profession	Private sector employee	28	28.0
	Freelancer	27	27.0
	Public servant	32	32.0
	Student	8	8.0
	Unemployed	5	5.0
Annual income	Less than 20.000 euros	56	56.0
	20-40.000 euros	29	29.0
	Over 40.000 euros	15	15.0
Use of internet per day	Less than an hour	2	2.0
	1 to 5 hours	63	63.0
	5 to 10 hours	28	28.0
	Over 10 hours	7	7.0

Section 6 Funders' Knowledge about crowdfunding

5) Do you know what crowdfunding is?

Table 12 and the additional figure 3 present the answers of the participants regarding whether they know what crowdfunding is. Particularly, 77% of the participants know what crowdfunding is.

Table 12: Do you know what crowdfunding is

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	77	77.0	77.0	77.0
No	23	23.0	23.0	100.0
Total	100	100.0	100.0	

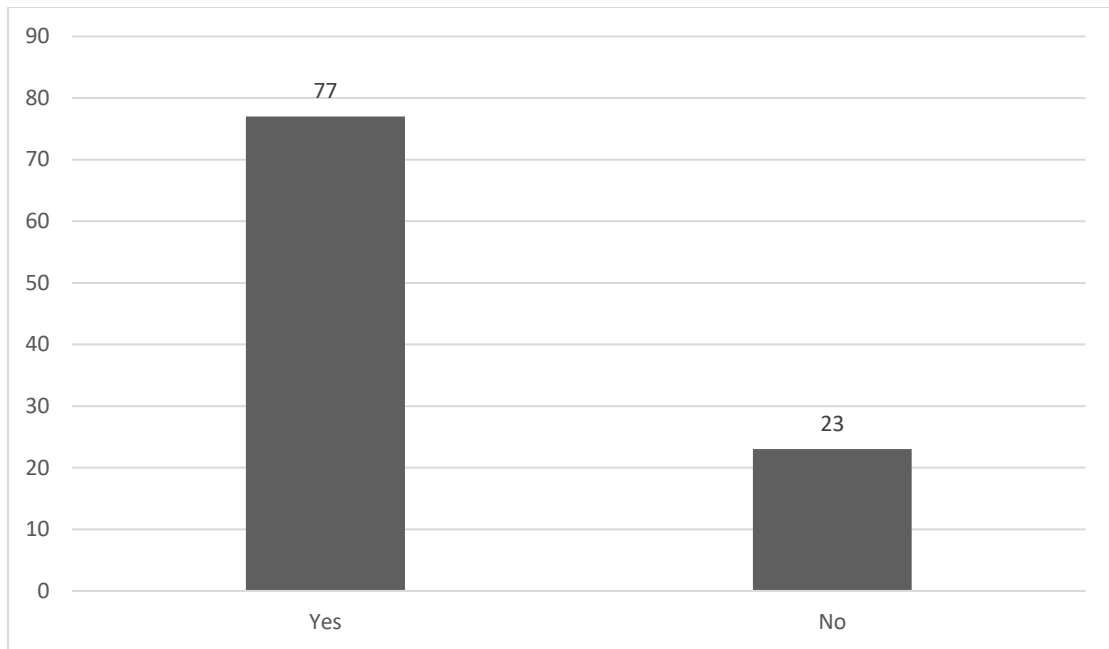


Figure 3

6) Which of the following do you consider as advantages of crowdfunding?

Table 13 and the additional figure 4 present the answers of the participants regarding the advantages of crowdfunding. Particularly, the majority of the participants state that the main advantages of crowdfunding are the fundraising (89%), the better market penetration (73%) and the development of a customer base (70%).

Table 13: Advantages of crowdfunding

	Percentage
Better market penetration	73
Support from the public	54
Fundraising	89
Development of a customer base	70
Project awareness	51
Useful marketing tool	57

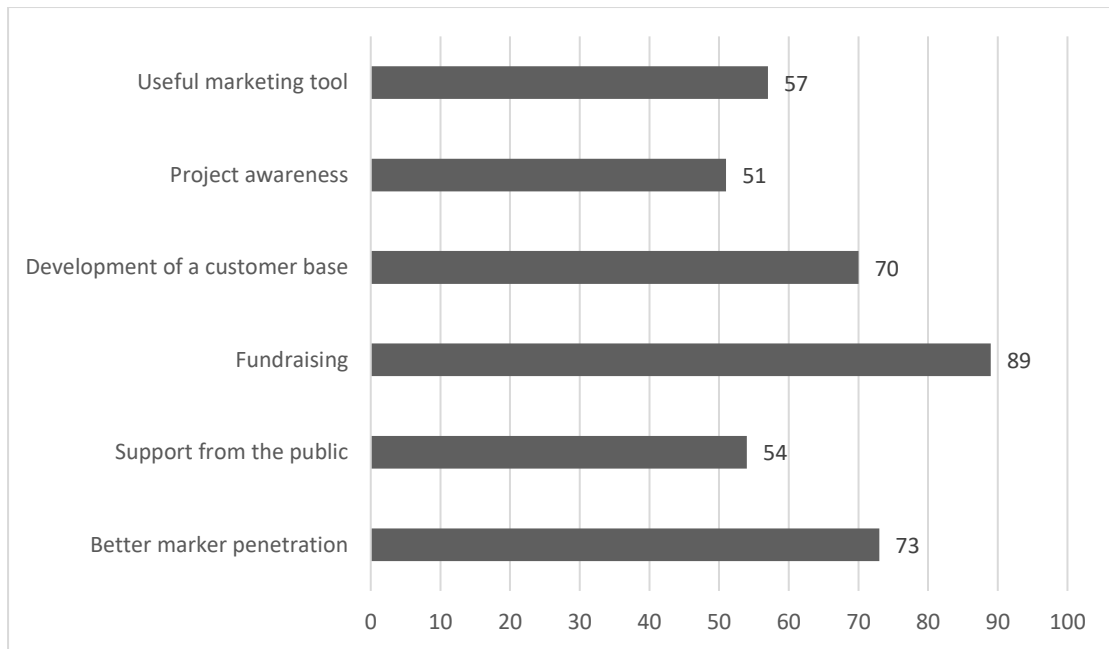


Figure 4

7) Which of the following do you consider as disadvantages of crowdfunding?

Table 14 and the additional figure 5 present the answers of the participants regarding the disadvantages of crowdfunding. Particularly, the majority of the participants state that the main disadvantages of crowdfunding are the risk for an idea to be copied (86%) and the not clear terms of use on crowdfunding platforms (73%).

Table 14: Disadvantages of crowdfunding

	Percentage
Time consuming activity	34
Money consuming activity	26
Not clear terms of use on crowdfunding platforms	73
Exposure to the public audience	35
Risk for an idea to be copied	86

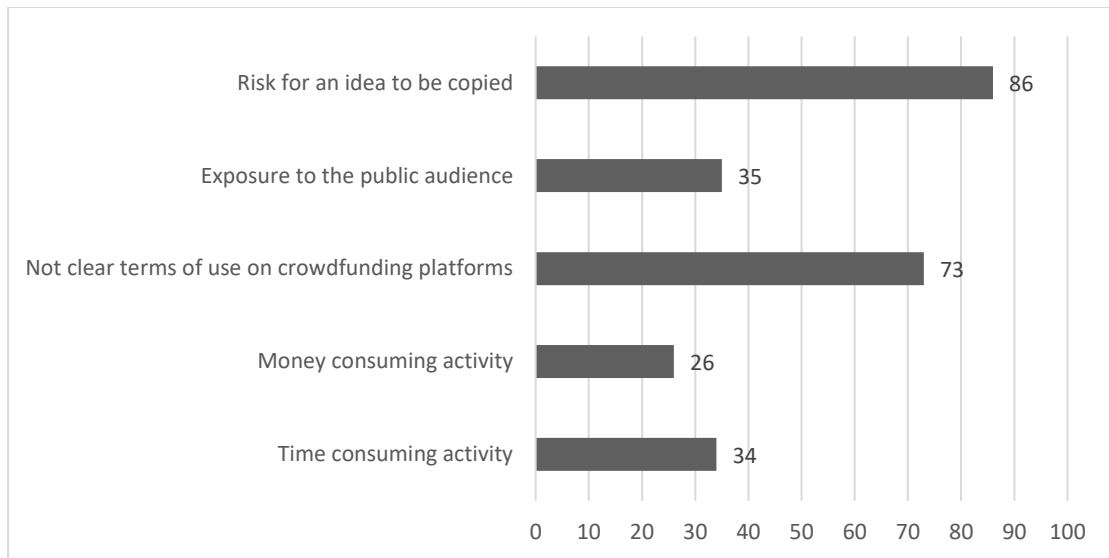


Figure 5

4.2. Inferential statistics

Correlation between funding intention and the main predictors

Pearson correlation shows that funding intention presents a positive correlation with all of the tested predictors. Specifically, funding intention presents a strong positive statistically significant relationship with perceived creativity ($r = .809$, $p < 0.01$), and medium relationships with funders' positive affect reactions ($r = .625$, $p < 0.01$) and perceived entrepreneurial passion ($r = .483$, $p < 0.01$).

Table 15: Correlations

	1	2	3	4
1. Funding intention	1	.809**	.625**	.483**
2. Perceived creativity		1	.683**	.541**
3. Funders' positive affect reactions			1	.400**
4. Perceived entrepreneurial passion				1

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

Correlation of funding intention and the main predictors with the other metrics

Pearson correlation shows that funding intention presents a positive correlation with all of the tested predictors. Specifically, funding intention presents a strong positive statistically significant relationship with funding coverage ($r = .792$, $p < 0.01$),

and medium negative relationship with funding goal ($r = -.583, p < 0.01$). As a result, the higher the funding coverage of a project, the higher the funding intention of the viewers, while the higher the funding goal for a project, the lower the intention of the viewers to give their money. Similarly, perceived creativity, funders' positive affect reactions and perceived entrepreneurial passion present a positive relationship with funding coverage and a negative one with funding goal. Therefore, the higher the perceived creativity, funders' positive affect reactions and perceived entrepreneurial passion, the higher the funding intention of the viewers, while the higher the funding goal for a project, the lower the perceived creativity, funders' positive affect reactions and perceived entrepreneurial passion.

Correlations

	1	2	3	4	5	6	7	8
1. Funding intention	1	.792**	-.583**	-.124	.181	.809**	.625**	.483**
Project Factors								
2. Funding coverage		1	-.470**	-.107	.292**	.743**	.636**	.487**
3. Funding goal			1	-.298**	.189	-.575**	-.517**	-.341**
4. Narrative length (word count)				1	-.270**	-.117	-.131	.054
5. Video length					1	.069	.205*	.344**
6. Perceived creativity						1	.683**	.541**
Funder Factors								
7. Funders' positive affect reactions							1	.400**
Founder Factors								
8. Perceived entrepreneurial passion								1

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

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

Regression analysis for the prediction of funding intention

Regression analysis was used in order to create a prediction model for funding intention. The outcome of the analysis show that the model predicts 77.7% of the

variance ($R^2 = .777$), while adjusted R^2 is close, fact that eliminates the possibility of over fitting.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.882 ^a	.777	.738	.63329

a. Predictors: (Constant), Perceived entrepreneurial passion, Profession, Educational level, Age, Gender, Knowledge of crowdfunding, Narrative length, Use of internet, Entrepreneur sex, Annual income, Video length, Funding coverage, Funders’ positive affect reactions, Funding goal, Perceived creativity

ANOVA table shows that there are some independent variables that can predict the dependent variable ($F(15,84) = 19.565, P < 0.05$).

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	117.701	15	7.847	19.565	.000 ^b
	Residual	33.689	84	.401		
	Total	151.390	99			

a. Dependent Variable: Funding intention

b. Predictors: (Constant), Perceived entrepreneurial passion, Profession, Educational level, Age, Gender, Knowledge of crowdfunding, Narrative length, Use of internet, Entrepreneur sex, Annual income, Video length, Funding coverage, Funders’ positive affect reactions, Funding goal, Perceived creativity

Specifically, the variables that included on the regression model are perceived creativity ($b = .403$), funding coverage ($b = .364$), and funding goal ($b = -.236$). As a result, when

a project perceived as creative, it has high funding coverage and low funding goal, the respondents present high intention to fund it.

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.158	1.039		2.076	.041
Project Characteristics					
Perceived creativity	.327	.083	.403	3.954	.000
Video length	.118	.087	.092	1.362	.177
Narrative length (word count)	-.004	.003	-.085	-1.286	.202
Funding coverage	.000	.000	.364	3.996	.000
Funding goal	-1.538E-5	.000	-.236	-2.561	.012
Funder Characteristics					
Gender	.016	.138	.006	.113	.910
Age	.034	.071	.026	.476	.635
Educational level	-.080	.082	-.055	-.983	.328
Profession	-.042	.062	-.038	-.678	.500
Annual income	-.034	.093	-.020	-.370	.712
Use of internet	.193	.105	.101	1.830	.071
Knowledge of crowdfunding	-.121	.160	-.041	-.757	.451
Funders' positive affect reactions	-.187	.189	-.080	-.986	.327
Founder Characteristics					
Presenters' sex	-.067	.136	-.036	-.490	.625
Perceived entrepreneurial passion	.053	.139	.029	.381	.704

a. Dependent Variable: Funding intention

Chapter 5 - Conclusion

Crowdfunding is a relatively new phenomenon that has evolved rapidly in recent years. The difficulty of accessing traditional sources of funding in conjunction with the economic crisis and the development of the internet, has resulted in crowdfunding now being considered as an alternative form of funding to classical sources. The intense academic interest and the frequent reference to crowdfunding from news websites, prove the importance of the phenomenon. Crowdfunding is growing at a high rate and all indications are that its growth will continue in the coming years. The easing of legal restrictions on the operation of the investment model, shows the future course of development of the phenomenon. Crowdfunding will be, especially for young entrepreneurs, the tool that will help them implement their ideas. In societies dominated by social media, funding from many and outsourcing will be an important factor. Crowdfunding, although belatedly, is gradually becoming known in Greece as well. The operation of the first Greek websites shows the way for a new form of financing that can contribute to the development of entrepreneurship in our country. Crowdfunding can be a very important financing and marketing tool for Greek companies.

Regarding the level of public knowledge about crowdfunding the research show that the vast majority of the public audience know what crowdfunding is. Moreover, the participants state at greater degree that the main advantages of crowdfunding are the fundraising ability, the better market penetration and the development of a customer base. On the contrary, the majority of the participants state that the main disadvantages of crowdfunding are the risk for an idea to be copied and the not clear terms of use on crowdfunding platforms (see Appendix 3). Those findings are supported by the studies of Fleming and Sorenson (2016), Dannberg (2017), Hazam, Karimova and Olsson (2017) and Golic (2014).

The general goal of the research is to investigate the factors that affect the success of crowdfunding and in particular the intention of the users of a platform to invest in a project. Based on research questions, the research ends up on the following:

Research Question 1: Are project-related factors more important than funder and founder factors in determining willingness to invest?

Prior researches have tested separately the effect of project-related antecedents, funder characteristics and founder characteristics demonstrating significant correlations between each of the aforementioned variables with the funding intention. The current study delivers all those factors in one model with the goal of examining which of them may affect the funders' willingness to invest. Based on the answers of the respondents, this research indicates that funding intention illustrates a strong correlation only with the project-related factors and not with the funder and founder factors. Moreover, funding intention presents a strong positive statistically significant relationship with funding coverage and perceived creativity and a medium negative relationship with funding goal. Analyzing the correlations between willingness to invest and funder factors, no significant correlation found with sociodemographic variables of funders (age, educational level, annual income, profession) and also with the variable of the knowledge of crowdfunding and the funders' positive affective reactions. Concerning the founder variables (gender, entrepreneurial passion) inconsiderable correlations with the funding intention were also observed. This specific result defines the current study remarkably interesting emphasizing the worth of the variables that determine the features and the subject of a crowdfunding project understating the founders' and funders' approach.

Research Question 2: Within project-related factors, is there a statistically significant correlation between funding intention and perceived creativity?

Within project-related factors, funding intention presents a strong positive statistically significant relationship with perceived creativity. As a consequence, the higher the perceived creativity of a project, the higher the intention of a funder to offer his/her money. Thus, it can be stated that creativity is a very important factor which can potentially affects the investing behavior of a potential funder. Those findings confirm those of Davis et al. (2017).

Research Question 3: What about “presentation” characteristics? Do they play a role? In other words, is there a statistically significant correlation between the funding intention and Narrative length and Video length?

Prior researches and academic articles (i.e. Davis et al. (2017); Mitteness, Baucus & Sudek, 2012) state that the use of gamification techniques influences the willingness to invest. The aspects related to the way a crowdfunding project is presented could affect the funding intention, as the navigation of a visitor in the presentation of a crowdfunding campaign includes images, brief descriptions of the assets of the product and videos that ameliorate the content of the idea presented. However, according to the results gathered from our research, it was concluded that there is no significant correlation between the funders’ willingness to invest and Narrative length and Video length.

Research Question 4: Which funders’ factors influence funders’ decisions?

Funders’ factors consist of the sociodemographic variables (age, gender, educational level, annual income, profession), the knowledge of crowdfunding and the funders’ positive affective reactions. Despite the expected impact of these antecedents to influence funders’ decision, no significant relationship was detected between the funders’ willingness to invest and the funders’ factors while funders’ positive affective reactions found to positively affect the intention of funders to invest in a project or idea. Therefore, the more positive are the affective reactions of the funders, the higher is their intention to invest in a project.

Research Question 5: In terms of funders’ factors, does founder’s gender play a role in funder’s decisions? What about perceived entrepreneurial passion?

Gorbatai and Nelson state at their research that the positive emotion and the use of ideal language can lead to an increased funding intention revealing that women reach higher achievement in crowdfunding comparing to men. However, according to the findings, the founder’s gender does not play a role in funder’s decisions. Moreover, as perceived entrepreneurial passion is concerned, Cardon et al, (2013) maintain that the

passion and the way a founder talks about his/her idea could affect the funder's final decision to invest. Similarly, the current research indicates that there is a relationship between perceived entrepreneurial passion of a founder and a funder's willingness to invest. Therefore, the higher the perceived entrepreneurial passion of a founder, the higher is the intention of the funder to invest in a project.

Research limitations and future research

Sample size is the main limitation of the current research, as a result a future study will include much higher numbers of participants in order to confirm the current findings and make generalization more valid. Additionally, more factors can be tested regarding their impact on intention to fund a project. Factors like brand image and perceived risk on the platform have been found to also have an impact on the intention of the user to donate his/her money. Moreover, two of the scales used presented low reliability fact that can be caused by the small amount of data and a future study should evaluate the scales from the beginning using a pilot study. Comparison between the different crowdfunding models could also be a significant improvement of the current study as well as the existence of an overarching theory to support and organize the antecedents of the study. Finally, in a future study, funders' affective and cognitive reactions could be conceived as a mediator and a potential model could illustrate the mechanism through which project, funders and founders' characteristics could have an impact on funder's decision to invest.

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Appendixes

Appendix 1: Questionnaire

The following questionnaire includes questions about crowdfunding and your opinion about the research topic. Your participation in the survey is anonymous and voluntary, and your answers are completely confidential and will be used only for the current research. Thanks in advance for your time.

Section 1

8) Gender

- Male
- Female

9) Age

- 18-25
- 25-35
- 36-55
- Over 55 years old

10) Educational level

- High school
- Bachelor degree
- Masters' degree
- PhD

11) Profession

- Private sector employee
- Freelancer
- Public servant
- Student
- Unemployed

12) Annual income

- Less than 20.000 euros
- 20-40.000 euros
- Over 40.000 euros

13) Use of internet per day

- Less than an hour
- 1 to 5 hours
- 5 to 10 hours
- Over 10 hours

Section 2 Knowledge about crowdfunding

14) Do you know what crowdfunding is?

- Yes
- No

15) Which of the following do you consider as advantages of crowdfunding?

- Better market penetration
- Support from the public
- Fundraising
- Development of a customer base
- Project awareness
- Useful marketing tool

Other.....

16) Which of the following do you consider as disadvantages of crowdfunding?

- Time consuming activity
- Money consuming activity
- Not clear terms of use on crowdfunding platforms
- Exposure to the public audience
- Risk for an idea to be copied

Section 3 Perceived creativity

17) Please state your opinion regarding the adjectives that describe more the product / service idea you just show.

	1	2	3	4	5	6	7	
Dull								Exciting
Routine								Fresh
Conventional								Unconventional
Predictable								Novel
Usual								Unusual
Ordinary								Unique
Commonplace								Original
Warmed over								Trendsetting
Average								Revolutionary
Nothing special								An industry model

Section 4 Funders' positive affective reactions

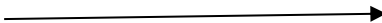
18) After viewing the product / service idea, to what extent do you feel the following

		1	2	3	4	5	6	7
1	Interested							
2	Excited							
3	Strong							
4	Enthusiastic							
5	Proud							
6	Alert							
7	Inspired							
8	Determined							

9	Attentive							
10	Active							

Section 5 Perceived entrepreneurial passion

19) Please state the degree of your agreement or disagreement with the following statements

		Strongly disagree 						Strongly agree
		1	2	3	4	5	6	7
1	The presenter(s) had energetic body movements.							
2	The presenter(s) had rich body language.							
3	The presenter(s) showed animated facial expression.							
4	The presenter(s) used a lot of gestures.							
5	The presenter's face lit up when he/she or he talked.							
6	The presenter(s) talked with varied tone and pitch.							

Section 6 Intention to fund the project

20) At what degree do you intent to fund the project?

- No intention
- Low
- Neutral
- High
- Very high

Appendix 2: Crowdfunding Projects selected from kickstarter.com

Table A

	Name	Video length	Entrepreneur sex	Narrative length (word count)	Funding coverage (%)	Funding goal
1	Essential Mask Brace	0.54	3	47	158	30.000
2	Cinera edge	3.44	3	64	12667	10.000
3	Skadu	3.12	2	42	1540	5.000
4	Wainlux	1.36	1	32	6858	10.322
5	EdBoard	2.50	3	37	97	35.000
6	Jelly 2	3.04	3	48	1634	50.000
7	BeanBon	1.00	3	92	1467	10.000
8	Gino	3.00	3	22	72	65.426
9	CutiePi Tablet	1.55	3	106	363	35.625
10	Okase	2.31	2	108	55	19.500

Projects

1: https://www.kickstarter.com/projects/essentialbrace/essential-brace-designed-to-seal-your-loose-fitting-mask?ref=discovery_category

2: https://www.kickstarter.com/projects/cinera/cinera-edge-a-5k-oled-hmd-with-dolby-digital-51-headphone?ref=discovery_category

3: https://www.kickstarter.com/projects/hyperlychee/skadu-a-powerful-scrubber-for-everyday-cleaning-needs?ref=discovery_category

4: https://www.kickstarter.com/projects/2109720319/engrave-your-creativity-anytime?ref=discovery_category

5: https://www.kickstarter.com/projects/edboard/edboard-story-based-circuit-building-for-children?ref=discovery_category

6: https://www.kickstarter.com/projects/jellyphone/jelly-2-worlds-smallest-android-10-4g-smartphone?ref=discovery_category

7: https://www.kickstarter.com/projects/264337465/beanbon-everything-you-ask-for-a-home-coffee-roaster?ref=discovery_category

8: https://www.kickstarter.com/projects/smartseparations/gino-the-personal-air-sanitiser?ref=discovery_category

9: https://www.kickstarter.com/projects/745629624/cutiepi-raspberry-pi-untethered?ref=discovery_category

10: https://www.kickstarter.com/projects/nexusera/okase?ref=discovery_category

Appendix 3: Advantages and Disadvantages of Crowdfunding

Advantages of crowdfunding

Crowdfunding is not only considered a source of capital, but also a means of validating the creator's business idea, as it somehow promotes the target markets. The range of investment with this particular model is huge, as the idea may not be worth millions of dollars, however it can receive investment from philanthropists for art exhibitions, charities, etc. Also, since crowdfunding is not limited by the desire of investors to invest only in close geographical proximity to their homes, the pool of potential investors expands further, including people from more remote locations or even from other countries (Fleming & Sorenson, 2016). In addition, crowdfunding, because it is an open invitation through the internet, can be considered an effective way for the entrepreneur to reach a very large number of potential investors and thus eliminates the time-consuming process of investor search (Dannberg, 2017).

A relative benefit is reported to be the criteria for financing investors through crowdfunding, which include companies of any industry, growth potential, profit orientation, size, and age. Even companies that do not have a history and guarantees are included. Therefore, crowdfunding seems to be suitable for businesses that do not target other investors, such as business "angels" or banks. Thus, Crowdfunding can overcome financing difficulties for businesses that are not yet attractive to other investors (Fleming & Sorenson, 2016). Given that there are already an estimated 500 platforms worldwide, fundraising companies have a fairly wide range of choice of intermediaries (Dannberg, 2017). Fleming and Sorenson (2016) suggest that this can also be considered a benefit as it not only further increases the amount of potential interested investors, but allows them to choose the most appropriate platform.

It can act as a marketing tool for a start-up business as it increases the product or company's recognition to the general public. The model is being tested to prove the popularity of the model, a process similar to a beta test in a software industry. If a large number of people are interested in a business, they are able to create a strong public exposure around the business and its products / services (Fleming & Sorenson, 2016). This does not mean that investors recommend the beneficiary of the investment directly to their own contacts, however, with their investment decision they indirectly recommend the business. In this way the public exposure of the business idea can be increased or its existence can be widely known. Increased publicity and public exposure are significant benefits for businesses, especially if they are still young and have limited marketing capital at their disposal. In general, the following rule applies: if one investment is made, others follow. This is because investors influence and exchange views with each other (Hazam, Karimova & Olsson, 2017). It also provides real and ongoing information on the progress of the idea and if the funding does not approach the target chapter, this idea should be reviewed and improved. If the basic crowdfunding is applied, where the share capital is not transferred, the cost is almost zero (Hazam, Karimova & Olsson, 2017).

An additional benefit of crowdfunding can be found in the concept of "investment readiness". Businesses that are not yet interested in many investors may be able to use the capital raised through crowdfunding not only to prepare for investment (for example, by paying for management training or further developing the product / service) but also to finance the capital requirements of the company until the readiness is achieved. This benefit has not been discussed in the past, but Hazam, Karimova and

Olsson (2017) potentially suggested its existence because Fleming and Sorenson (2016) showed that crowdfunding can be used simultaneously or followed by business "angels". Dannberg (2017) showed that crowdfunding can be easily combined with other forms of crowdsourcing. Entrepreneurs can also take from crowds of people, who can be or become prospective customers, services such as developing or even trying out new product and service ideas before they are officially released. This can be done by asking the crowd for specific comments and criticisms or even by indirectly interpreting the actions of the crowd, for example, investments by many people suggest that the products / services will be accepted in the market (Golic, 2014). Manchanda

and Muralidharan (2014) later argued that such actions can accelerate the development time and consequently the implementation of the new product or service.

Finally, there is another advantage, which is related to investors' perceptions of investment contracts, equity and return on investment. Because investors are not professionals, they tend to ask for less information in advance and spend less or even less time negotiating contracts. This can be beneficial for entrepreneurs, as it means that they devote limited time and effort to award contracts (Fleming & Sorenson, 2016). Many investors offer funds in the form of donations or agree to non-monetary rewards in return for an investment (Hazam, Karimova & Olsson, 2017). Even investors who invest in stocks usually provide small amounts of money, which means that each investor will be a very small shareholder, with the entrepreneur retaining the majority of the shares. Thus, due to their small shareholder positions, individual investors may not have the right to vote for important business decisions (Hazam, Karimova & Olsson, 2017). These are important benefits for entrepreneurs who are worried about losing ownership and control.

Disadvantages of crowdfunding

Despite the many benefits that crowdfunding undoubtedly has, its disadvantages cannot be ignored. The biggest disadvantage is the limited possibility of raising money. In the US, the cap on fundraising is \$ 1 million (Manchanda & Muralidharan, 2014). In addition, it takes a lot of time and effort initially to select the right crowdfunding platform to exclude all others and then to promote an idea through campaigns and online promotions (Dannberg, 2017). Moreover, there is always the risk of losing confidentiality, so the idea could be stolen and implemented by a third party before being done by the competitor as competitors have access to all the information published on the website, which may raise privacy issues and intellectual property (Golic, 2014).

Another disadvantage of most crowdfunding platforms is related to the "all or nothing" rule, ie the company must collect the entire target amount in order to reach the agreement and make the crowdfunding process successful. Therefore, if the original goal is not achieved, the funds are returned to their original owners. Hazam, Karimova

and Olsson (2017) showed that less than half of companies looking for crowdfunding succeed in reaching their target amount, making this problem one of the most important.

Even if the negotiations, due diligence and contracts are simple, the investment of very small sums of money by a large number of investors may result in too high transaction costs for the project, so the latter becomes unprofitable. The same is true for companies that want to raise very low amounts as the cost of publishing a project on a crowdfunding platform is the same, regardless of the amount requested (Hazam, Karimova & Olsson, 2017). Add to all this the fact that managing many shareholders by an equally large number of investors tends to be a time consuming and difficult process (Dannberg, 2017). If these potential investors show interest in someone's business idea, they expect and deserve attention, or they may feel unworthy and disengaged from the process. This complicates the situation as investors are real persons and each of them is unique with different expectations and requirements (Hazam, Karimova & Olsson, 2017). The non-geographical constraint of potential investors seems to further aggravate the situation because managing investors from different countries, cultures and languages can be a challenge for entrepreneurs (Golic, 2014).

Despite the potential positive effects of investors, there are some disadvantages. Many investors may not have sufficient or relevant experience and the required ability to support and possibly assist entrepreneurs with their business operating decisions, while at the same time they may not have the necessary understanding to support them emotionally. Alternatively, it is reasonable to assume that the lack of interest of many investors in financial performance and return can negatively affect their willingness to value a project, as they probably do not have the motivation they need to contribute to success and business profitability (Dannberg, 2017). Finally, offering products or services as a reward to investors has a key drawback. By offering this kind of consideration, companies in the long run reduce their selling opportunities, as these investors could become prospective customers who would buy the products / services.

Appendix 4: The four categories of financial effort and the survey of University of Athens

Moysidou and Hausberg (2020) divide the financial effort into four categories according to the final consideration. In the first category, the investor finances social and humanitarian campaigns without expecting any future return. In the second category, the investor lends funds to the creator awaiting the return of his capital along with the agreed interest. In this case, the investors who lend small amounts, are mainly interested in the social impact of the investment and not so much in the profit they can make. In the third and most common option, the investor contributes with an incentive to receive a non-monetary reward. This can be from a thank you letter, tickets to a concert, the right to be the first to hear the songs of their favorite artists before they are officially released as well as to receive the product before its official release on the market. In the fourth category, the financier can behave as an investor and receive a share of the company's share capital or future profits in exchange for his investment. Additionally, the financier expects to make a profit from his investment.

There are projects that, when funded, offer the financier a product or service. That number will act as the financier can be influenced by a variety of factors. In a survey of crowdfunding by the University of Athens, more than 100,000 users who were members of crowdfunding teams and communities from various parts of the world were interviewed. The results of the research showed that there are several project-related factors that influence a funder to finance a project (Moysidou & Hausberg, 2020). For instance, the authors found a positive correlation between the credibility of a platform's brand and the user's intention to finance the project. This is because users invest their money in projects that they trust and have proven their credibility, and being accepted in a credible platform signals that the project itself is credible. For the results of this research we can assume that there is a positive correlation between a project's image and credibility and the intention of a funder to finance such project through crowdfunding (Moysidou & Hausberg, 2020). Another factor is the perceived risk of a project, which naturally exists in the transactions of consumers with a crowdfunding platform.