Influences on achievement of funding goals

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The purpose of the following dissertation, *A content analysis of Kickstarter: The influence of framing and rewarding motivations on campaign success* (Sauro) was to examine the implications of message framing in determining the success or failure of Kickstarter campaigns. The study also explored to what extent conditional cooperation influences the achievement of funding goals. The study applied framing theory on the decision-making process, which has significant prior research but not in regards to crowdfunding. Sauro (2014) uses a definition used in a previous study by Dr. Inge Sorenson. Crowdfunding is defined as " the micro-financing of individual projects, and is catered for online by sites like indiegogo. com, sponsume. com, crowdfunder. co. uk, pledgie. com, and kickstarter. com" (Sorenson, 2012). Sauro (2014) also uses the term project-based communities – " meaning a unique community of early adopters and investors of a new product or service that hone and gather funding pledges." One hundred and twenty Kickstarter campaigns were randomly selected and sampled. The key findings were broken down by research questions. The first research question sought to uncover to what extent did the choice of framing methods affect success or failure of the crowdfunding campaigns. The finding was campaigns that used framing had a significantly higher rate of success as opposed to campaigns that used no framing. " Out of all campaigns that were successful, 83. 3% utilized a prescribed framing method, opposed to 40. 8% of unsuccessful campaigns that did not" (Sauro, 2014, p. 24). The finding of research question two suggests a strong correlation between successful campaigns and conditional cooperation

measures. The study identified a relationship between conditional cooperation and donation levels at the end of set funding periods across all categorical tiers (low, medium, and high). Supplemental data was also provided. Additional factors that had an impact on the probability of a successful crowdfunding campaign were identified. The findings were factors such as including a self-narrative, stating personal qualifications, and having a lower funding goal – had a strong influence on the outcome. Sauro (2014) found " of the campaigns that were successful, a self-narrative was present 82. 0% of the time, as opposed to 62. 2% when campaigns were unsuccessful" (p. 29). Suggestions for further research included the need to use a larger sample size from all project categories and continued investigation of personal narratives influence. There was also a suggestion to include research on whether text-based, video-based, or combination-framing messages could be efficiently used to achieve objectives.

Sauro (2014) used prospect theory and message framing as drivers for the crowdfunding donor decision-making process. Prospect theory attempts to explain the decision-making process based on the way the material is presented (Sauro, 2014, p. 8). In involves a decision problem, decision maker, and a decision frame. Rational decision-makers " will opt for the prospect that offers the highest expected utility" (Tversky & Kahneman, 1981, p. 453). Prospect theory expresses outcomes as positive or negative deviations (gains and losses) with regards to an S-curve. Message framing is an important concept for crowdfunding and the study by Chun-Tuan Chang and Yu-Kang Lee (2010) was used to support Sauro's dissertation. Framing is " the presentation of one of two different but equivalent value outcomes to

decision-makers, where one outcome is presented in positive and the other in negative terms" (Chang & Lee, 2010, p 197). Compliance is encouraged using framing – demonstrating gains and losses. Bruno S. Frey and Stephan Meier conducted a field experiment about charitable giving and conditional cooperation in 2004. The experiment supported the theory on conditional cooperation and found that if people know others are making charitable contributions, the likelihood of them making contributions increases but is still linked to previous charitable behaviors (Frey & Meier, 2004, p. 1717). People tend to compare themselves socially to others and are inclined to make charitable donations based on those they identify with. These works are extremely important and the foundation for understanding donor behavior while researching crowdfunding.

Crowdfunding is a relatively new concept. It involves communications, fundraising, technology, and a social media platform. Sauros (2014) used prospect theory, framing, and conditional cooperation as factors of influence for successful crowdfunding campaigns. Daniel Kahneman and Amos Tversky (1979) developed the prospect theory. Kahneman and Tversky's study – " Prospect Theory: An analysis of decision under risk" introduces one of the most quoted theories in economic psychology. Developed in the 1980s, the theory has had considerable impact on understanding how decisions are derived using gains and losses. The theory of framing was introduced by Erving Goffman (1974). Goffman was considered " the most influential American sociologist of the twentieth century" (Fine & Smith, 2000). Goffman wrote several books and fundamentally changed the way we think of social interactions. His work is considered unparalleled and he is

extensively cited in behavioral studies. His greatest contribution to social theory is his study of symbolic interaction, which began in 1959. He studied social order, interactions, stigmas, routine transactions, human behavior, etc. He was not a traditional sociologist and his work was influenced by Durkheim, Freud, Mead, Simmel, and Radcliffe-Brown (Yakkaldevi, 2013, p. 74). Albert Bandura is associated with social learning theory. According to Bandura (1977), " Learning would be exceedingly laborious, not to mention hazardous, if people had to rely solely on the effects of their own actions to inform them what to do. Fortunately, most human behavior is learned observationally through modeling: from observing others one forms an idea of how new behaviors are performed, and on later occasions this coded information serves as a guide for action." Bandura is well known for his famous Bobo doll experiment where children were demonstrated to learn aggression through observations and interactions (Bandura, Ross, & Ross, 1961). His work is considered to be part of the cognitive revolution in psychology.

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