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CREDIT STATEMENT

**“POTENTIAL FUNDERS’ MOTIVATIONS IN REWARD-BASED CROWDFUNDING.
THE INFLUENCE OF PROJECT ATTACHMENT AND BUSINESS VIABILITY**

All the authors have contributed to the paper to the following activities in the elaboration of the paper: Conceptualization; Data curation; Formal analysis; Funding acquisition; Investigation; Methodology; Project administration; Resources; Software; Supervision; Validation; Visualization; Roles/Writing - original draft; Writing - review & editing.

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**POTENTIAL FUNDERS' MOTIVATIONS IN REWARD-BASED
CROWDFUNDING. THE INFLUENCE OF PROJECT ATTACHMENT AND
BUSINESS VIABILITY**

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Abstract

Although reward-based crowdfunding projects have experienced high growth in recent years, it is necessary to emphasize that not all the campaigns have success. Under these circumstances, this paper studies the influence of two potential funders' motivations (i.e., project attachment and business viability) on their behavioral intentions (i.e., the intention to fund a crowdfunding project, and the intention to spread positive physical and electronic word-of-mouth about it). It also explores how the effect of these motivations is moderated by two campaign characteristics: the percentage of target capital pledged and the time remaining until the funding deadline. With this aim, this paper simulates a crowdfunding project and collects 311 survey responses about it. Subsequently, a PLS-SEM approach is applied to test the model proposed. Findings demonstrate that potential funders' intentions are mainly influenced by their attachment to the project. For its part, the business viability, as perceived by potential funders, plays a secondary role mainly influencing their word-of-mouth intentions. Finally, the campaign characteristics moderate the effect of attachment and viability on electronic word-of-mouth intentions.

Keywords

Crowdfunding; viability; attachment; behavioral intentions; campaign characteristics

POTENTIAL FUNDERS' MOTIVATIONS IN REWARD-BASED CROWDFUNDING. THE INFLUENCE OF PROJECT ATTACHMENT AND BUSINESS VIABILITY

1. Introduction

In recent years, reward-based crowdfunding has emerged as a valuable alternative source of funding for entrepreneurs initiating new projects. This type of crowdfunding can be defined as an open call to a large number of individuals over online social platforms for financial resources in the form of monetary contribution either as donation or in exchange for rewards (Belleflamme, Lambert, & Schwienbacher, 2014). It is a new way of microfinancing, based on small contributions to jointly support initiatives proposed by other people in their role as entrepreneurs (Bayus, 2013; Marchegiani, 2018). Particularly, according to Kickstarter.com (i.e., a leading crowdfunding platform), about 15 million people have pledged over \$3.8 billion to bring 146,633 reward-based projects to life since its founding. These data help to understand the impressive volume of money collected worldwide through the reward-based crowdfunding.

The development of a reward-based crowdfunding campaign is as follows; first, the entrepreneur uploads to the online social platform an introduction to her/his project and other required information (for example, funding goal, duration, and rewards for funding). Then, the platform operator screens the appropriateness of the content and the fulfillment of the requirements, publishing the project page. If a potential funder decides to make a pledge, a transaction between the funder and the platform occurs and is reflected on the project page in an aggregated form. When the project reaches or exceeds its goal during the funding duration, the crowdfunding platform delivers the funds to the entrepreneur after subtracting the corresponding fees. Finally, the entrepreneur should implement the project and give out the

non-monetary rewards that were offered on the project page (Zvilichovsky, Danziger, & Steinhart, 2018).

Despite the wide expansion of crowdfunding, it is noteworthy that more than 50% of the projects fail to reach their funding goals (Zhao, Chen, Wang, & Chen, 2017). Under these circumstances, recent research is trying to determine which factors may affect the funding success. In particular, three main research streams can be identified. First, some studies have examined the characteristics common to entrepreneurs who achieve the funding target for their projects, emphasizing for example their capabilities and skills with online applications (e.g., Gafni, Marom, & Sade, 2018; Schwieler & Larralde, 2012). Second, other papers have studied the funder's perspectives and motivations—for example, the need of helping to others or supporting a social cause—for contributing to a crowdfunding project (e.g., Collins & Pierrakis, 2012; Gerber & Hui, 2013; Kuppaswamy & Bayus, 2017). Third, other scholars have analyzed some campaign characteristics—for example, the use of media, number of updates, goal, duration, and the language used in project descriptions—as signals of the crowdfunding projects quality (e.g., Bender, Gal-Or, & Geylani, 2019; Parhankangas & Renko, 2017; Zhang & Chen, 2018).

Although the relevance of the previous studies is doubtless, it is necessary to highlight that hardly any research has combined these streams; in other words, it has not been examined how different types of factors interact with each other when potential funders make their decision to support a reward-based crowdfunding project. This combination would accurately display how the reward-based crowdfunding projects operate and evolve over their funding cycle, explaining also their final success or failure. Thereby, the need of developing combined research has been recently identified by some authors in order to better understand the crowdfunding phenomenon (Hsieh, Hsieh, & Vu, 2019; Messeni Petruzzelli, Natalicchio, Panniello, & Roma, 2019; Ryu & Kim, 2018; Wang & Yang, 2019).

With this in mind, the present paper is focused on jointly examining the effect of two types of factors, that is, potential funders' motivations and campaign characteristics, on their intentions regarding the crowdfunding projects. Particularly, it aims to explain how individuals form their intentions to fund a crowdfunding project, as well as their intentions to recommend it to other people through physical (WOM) and/or electronic communication (eWOM). The theoretical model proposed includes as motivations the potential funders' attachment to the crowdfunding project (i.e., an intrinsic motivation) and their perception of business viability (i.e., an extrinsic motivation). In addition, it is explored if the effects of these motivations on intentions are moderated by two key campaign characteristics: the percentage of target capital pledged and the time remaining until the funding deadline. Finally, it should be emphasized that this research is carried out in the tourism sector, a strategic industry for many countries that has not received attention in previous research on crowdfunding –see as exceptions the studies of De Larrea, Mehmet, & Dipendra (2019) and Wang, Li, & Law (2017)–. Tourism crowdfunding projects have common characteristics, such as low funding goals and the inseparability between the production and consumption (Dzhandzhugazova, Ilina, Latkin, Blinova, & Romanova, 2017), which make them to differ from other projects related to industries already analyzed in the literature, such as art, theater, film or technology (Agrawal, Catalini, & Goldfarb, 2015; Zheng, Hung, Qi, & Xu, 2016). Therefore, findings will allow us to draw up novel conclusions that will achieve a significant breakthrough in crowdfunding research.

2. Theoretical background

The theoretical framework of this study is based on the “beliefs-attitudes-intentions” sequence, which has been widely used in previous research on consumer behavior. This conceptual approach, originally formulated by Ajzen and Fishbein (1980) and Ajzen (1985),

tries to explain individual behaviors in different settings by considering intentions as the best predictor of actual behaviors. It applies a cognitive perspective that recognizes that everything individuals do is influenced by the mental processes through which they acquire, transform and use information. The “beliefs-attitudes-intentions” sequence has been widely applied to examine the adoption of Internet-based services and Internet-mediated marketplaces by prospective users in several contexts, such as online communities (Casaló, Flavián, & Guinaliu, 2010), e-services (Hsu & Chiu, 2004), and e-commerce (Grandon, Nasco, & Mykytyn, 2011). Based on these robust findings indicating the suitability of this conceptual approach for explaining user behavior in digitally mediated marketplaces and networking sites, the present paper introduces the “beliefs-attitudes-intentions” sequence into the context of reward-based crowdfunding to study the potential funder’s behavior (see also Shneor & Munim, 2019; Wang & Yang, 2019).

This sequence allows us to develop a combined study that jointly examines the effects of different types of factors on the intentions formation process in crowdfunding. First, the present paper is focused on potential funders’ motivations to support a crowdfunding project, which are intimately related to the individual beliefs and attitudes. In order to examine individuals’ motivations to participate in crowdfunding, a number of previous studies have applied the classic classification of intrinsic and extrinsic motivations (Ryan & Deci, 2000b). These studies state that individuals support a reward-based crowdfunding project not only when they are intrinsically motivated, but also when they perceive that can obtain economic benefits (Bretschneider & Leimeister, 2017). The present paper agrees with the importance of intrinsic and extrinsic motivations, so it suggests that project attachment (i.e., an intrinsic motivation) and business viability (i.e., an extrinsic motivation) act as main drivers of the individual’s intentions in reward-based crowdfunding (Kusumarani & Zo, 2019). These motivations are chosen because they enable to draw a global picture of potential funders’

behavior, reflecting both the economic driver, inherent to investment decisions, and the emotional driver, related to purchasing decisions (Chan, Moy, Schaffner, & Torgler, 2019; Messeni Petruzzelli et al., 2019; Ryu & Kim, 2016).

Second, this paper analyzes the moderating effect of the campaign characteristics as technological features that could condition the potential funders' motivations. More concretely, two characteristics are used in this study: the percentage of target capital pledged and the time remaining until the funding deadline. The choice of these characteristics is justified because they reflect the dynamic nature and practicality of any reward-based crowdfunding project (Bouncken, Komorek, & Kraus, 2015; Cho & Kim, 2017). Other campaign characteristics, such as funding goal, duration, self-presentation, and rewards for funding, are decided by the entrepreneur at the beginning of the crowdfunding process without experiencing any subsequent change (Bender et al., 2019; Burtch, Ghose, & Wattal, 2013; Cox, Nguyen, Thorpe, Ishizaka, Chakhar, & Meech, 2018). However, the percentage of target capital pledged and the time remaining until the deadline vary over time the funding cycle. Particularly, these characteristics show the fundraising performance, so potential funders can use them to evaluate the probability of success or failure of a crowdfunding project (Bento, Gianfrate, & Thoni, 2019). In this line, Du, Wang, and Li (2019) establish that the percentage of target capital pledged measures the fundraising effectiveness, while the time remaining until the deadline refers to the fundraising efficiency.

2.1. Behavioral intentions in crowdfunding

Behavioral intentions represent the likelihood of individuals' engagement in a specific behavior (Ajzen, 1985; Ajzen and Fishbein, 1980). According to Fishbein and Ajzen (1975), behavioral intentions can be considered the main antecedent of actual behavior when examining individuals' decision-making processes. This implies that scholars can predict

specific behaviors in a reliable way by examining individuals' intention to engage in those behaviors. In particular, behavioral intentions have been generally studied considering two dimensions: the willingness to purchase products or services from a company and the willingness to recommend the company or to make positive comments about the firm's services –i.e., WOM communication– (Zeithaml, Berry, & Parasuraman, 1996). Nowadays, the growing relevance of the online communications and transactions has led to recent research to emphasize the need to include eWOM as a relevant component of behavioral intentions (Mafael, Gottschalk, & Kreis, 2016).

The present paper considers that individual intentions towards the crowdfunding projects are the best approximation to their real behaviors as potential funders of those projects. In addition, this paper is based on the notion that crowdfunding incorporates economic and social information. Thus, it proposes that behavioral intentions in crowdfunding should be related to economic-contribution and information-sharing (Shneor & Munim, 2019). The former intention is defined as the individual's predisposition to economically support a project, while the latter intention addresses the individual's willingness to share some knowledge about the project with friends and relatives (i.e., WOM communication) and through the social networks (eWOM communication). Both WOM and eWOM communications are considered as indirect paths for encouraging financial contributions, by influencing others to ponder a crowdfunding campaign and by solidifying one's own choice to contribute (Bi, Geng, & Liu, 2017). This proposal is consequent with the budding literature on crowdfunding which has addressed the individual's intentions as consequences of her/his motivations (Bagheri, Chitsazan, & Ebrahimi, 2019; Wang & Yang, 2019; Zhao et al., 2017).

2.2. Project attachment and business viability as motivations in crowdfunding

The growing of crowdfunding markets has emphasized the importance of understanding which motivations of funders increase the propensity to support a specific crowdfunding project and determine the campaign success. This research stream is based on the self-determination theory (Deci & Ryan, 1985), which explores the different types of intrinsic and extrinsic motivations that people have for their actions (Pee, Koh, & Goh, 2018; Ryan & Deci, 2000b). On the one hand, individuals perceive an activity as intrinsically motivating if it represents the reward itself; that is, the activity contains elements that make it interesting or satisfies the basic psychological needs of people (Ryan & Deci, 2000a). On the other hand, extrinsic motivations lead individuals to engage in specific behaviors if the activity has certain instrumental value in obtaining a desired outcome such as financial benefits (Ryan & Deci, 2000b).

In the reward-based crowdfunding context, the popular conviction is that potential funders' motivations may differ from those of professional investors, who typically display clear financial objectives behind their investments (Belleflamme et al., 2014; Wehnert, Baccarella, & Beckmann, 2019). In this sense, intrinsic motivations, such as interest, entertainment, engagement, curiosity and enjoyment, have been identified as driving forces in the crowdfunding context (Brem, Bilgram, & Marchuk, 2019; Chan et al., 2019). Particularly, those individuals that identify themselves with the values promoted by the campaign, or that find the initiative enjoyable, offer actively their support to the project (Messeni Petruzzelli et al., 2019; Zhao et al., 2017). On the contrary, some studies have found that individuals are mainly incentivized by extrinsic factors and motivated by economic characteristics of the crowdfunding project (Collins & Pierrakis, 2012; Gerber & Hui, 2013). In this case, individuals are focused on the return for their contribution, so they would be primarily driven by the utility that can obtain (Ryu & Kim, 2016). With this in mind, our paper addresses the

influence of two motivations -attachment to the crowdfunding project (i.e., an intrinsic motivation) and business viability as perceived by individuals (i.e., an extrinsic motivation)- on their intention to fund the project and their willingness to spread positive WOM and eWOM about it.

Attachment, which can be defined as the emotional bond between an individual and a certain object (Thomson, MacInnis, & Park, 2005), has been previously applied to study consumer behavior in very different contexts, such as goods, services, brands, places, projects, and social networks (e.g., Kim, Lee, & Preis, 2016; Sura, Ahn, & Lee, 2017; San Martín, García de los Salmones, Herrero, & Perez, 2018; Van Meter, Syrdal, Powell-Mantel, Grisaffe, & Nesson, 2018). In particular, people feel more attached to objects that are more consistent with their personality traits, and that better fulfill their needs and motivations (Hung, 2014; Yao et al., 2015). The influence of attachment on behavioral intentions has been confirmed in previous studies (e.g., Keong & Baharun, 2017; Khan & Rahman, 2017; Levy & Hino, 2016). So, the higher level of individuals' attachment to a product (or a brand), the higher emotional connection with it and, consequently, the higher involvement and commitment they feel (Ellemers, Kortekaas, & Ouwerkerk, 1999; Underwood, Bond, & Baer, 2001). Consequently, the present paper postulates that individuals develop a certain level of attachment to the project to be crowdfunded when its characteristics are consistent with their personality traits. Subsequently, this attachment positively influences their intentions to fund the project and to recommend it to other people:

H1: The higher the individuals' attachment to a crowdfunding project, the higher their intention to fund it.

H2: The higher the individuals' attachment to a crowdfunding project, the higher their intention to spread positive WOM about it.

H3: The higher the individuals' attachment to a crowdfunding project, the higher their intention to spread positive eWOM about it.

The viability of a project or business idea is a critical variable in the study of the entrepreneurial process, which starts with the identification of an opportunity in the market, continues with its evaluation and screening, and finishes with the exploitation of that opportunity by creating, for example, a new venture (Shane & Venkataraman, 2000). Within this process, entrepreneurs require different skills such as innovativeness, creativity, and business competence to achieve their true purpose: developing new initiatives that contribute to the generation of value (Heinonen, Hytti, & Stenholm, 2011, Kirzner, 2009). In this sense, the viability and, therefore, the success of a project is closely related to its ability to create value not only for customers, but also for the stakeholders involved in it (D'Souza, Van Beest, Huitema, Wortmann, & Velthuisen, 2014). In a crowdfunding context, once the opportunity has been identified and positively valued by the entrepreneur, a critical stage in the process is the evaluation of the opportunity by potential funders, who usually search for any economic benefit (Moss, Neubaum, & Meyskens, 2015). In line with Brockner, Higgins and Low (2004) and Fitzsimmons and Douglas (2011), the present paper considers that potential funders may adopt a "prevention focus" in their decisions of invest their money into the project to be crowdfunded. More concretely, potential funders assess projects' viability (i.e., the possibilities of success) before making their contributions, putting their money on the most viable project because it promotes the achievement of positive results (Cho & Kim, 2017; Mollick, 2014). Thus, it is hypothesized that individuals have a high intention to fund (and recommend) a crowdfunding project if they perceive that the project has a high probability of achieving the objectives after its launching:

H4: The higher the viability of a crowdfunding project, as perceived by individuals, the higher their intention to fund it.

H5: The higher the viability of a crowdfunding project, as perceived by individuals, the higher their intention to spread positive WOM about it.

H6: The higher the viability of a crowdfunding project, as perceived by individuals, the higher their intention to spread positive eWOM about it.

2.3. Campaign characteristics as moderator variables

Some previous papers on crowdfunding have addressed the importance of studying the campaign characteristics, such as the use of media, spelling errors, number of updates, goal, duration, and the language used in descriptions, to explain contribution patterns and outcomes (Bender et al., 2019; Burtch et al., 2013; Hsieh et al., 2019; Mollick, 2014). These characteristics are associated with the project itself and act as signals that reduce asymmetries between the parties (i.e., the entrepreneur and potential funders), providing information about the quality of the project and its real chance of success (Agrawal et al., 2015). Although these campaign characteristics are objective and equal for all potential funders, they can be interpreted in a unique way, generating different reactions. Particularly, our study is focused on two important characteristics: the percentage of target capital pledged and the time remaining until the funding deadline. The first one indicates the decision that other funders previously made about the project and the way they feel about it (Ryu & Kim, 2018). The second one reflects the days that the project will be open to achieve crowdfunding success; after this, no more funds will be accepted (Hsieh et al., 2019).

The present paper proposes that the percentage of target capital pledged in a project indicates its popularity and community positioning (Du et al., 2019). This characteristic socially influences potential funders' behavior, conditioning their propensity to make future

contributions (Kuppuswamy & Bayus, 2017). In this regard, two opposite effects have been identified in the previous literature. On the one hand, it has been demonstrated that a high percentage of target capital pledged is a positive signal that further increases support for the crowdfunding campaign (Zvilichovsky et al., 2018). Therefore, when potential funders see that many people have decided to support a project, they are induced to believe that this project is good. This phenomenon is related to “herding” behavior, with people being more likely to support projects that have already reached a high percentage of their target because the imitation of others’ decisions reduces uncertainties (Burtch et al., 2013; Dholakia & Soltysinski, 2001; Wehnert et al., 2019). Similarly, studies focused on fundraising pages have showed that donors are influenced by peer donations; in other words, the dollar amount of a new donation is positively correlated with the mean of past donations (Smith, Windmeijer, & Wright, 2015). These studies suggest that a high percentage of target capital pledged increases the effect of project attachment and viability on potential funders’ intentions. On the other hand, the fact that a campaign shows a high percentage of target capital pledged can also have negative effects on individuals’ behavioral intentions. Potential funders may not support a project that has already obtained significant funding because they perceive it to be secure enough without their help. They feel less relevant so decide to search for other projects that have received less backing and that really need their funds. In this case, the other funders’ contributions have a substitution effect on potential funders’ decisions to support a crowdfunding project (Burtch et al., 2013; Ryu & Kim, 2016). Therefore, a high percentage of target capital pledged diminishes the effect of attachment and viability experienced by potential funders towards the project. Under these circumstances of uncertainty, we propose the following research question in relation to the potential role of the percentage of target capital pledged as a variable moderating the influence of potential funders’ motivations on their intentions to support a specific crowdfunding project:

RQ1: How does the “percentage of target capital pledged” moderate the effects of project attachment and business viability on potential funders’ intentions?

Based on the Construal Level Theory (CLT), several studies have recently examined how individuals make their evaluations about events according to their temporal perspective (Chandran & Menon, 2004). This theory establishes that the moment when an event takes place (in the near or distant future) determines the psychological distance that the individual perceives, which refers to the subjective distance between (s)he and the event in her/his psychological space (Liberian, Trope, & Stephan, 2007). Therefore, the temporal psychological distance influences individuals’ evaluations and feelings, systematically altering the mental representations of the event (Liberian & Trope, 1998; Trope & Liberman, 2003). In spite of the relevance of this psychological distance, few works have addressed the interrelationships between this variable and individuals’ motivations in crowdfunding. Based on the CLT, the present paper establishes that the effect of individuals’ motivations is different if the campaign will end in only a few days compared to still being in its early stages. In line with Liberman and Forster (2008), when the deadline is near, potential funders may believe their actions have a greater impact on the project because the target end is approaching. Potential funders may feel that their help is essential for the project to be successful (Kivetz, Urminsky, & Zheng, 2006; Toure-Tillery & Fishbach, 2011), so they would be more motivated to participate in the crowdfunding campaign (Kuppuswamy & Bayus, 2017). On the contrary, when the deadline is far, potential funders may perceive that the crowdfunding project has time to obtain additional contributions. Thus, they would consider that their support is not necessary and would remain as mere bystanders, waiting in order to see what other people make (Kuppuswamy & Bayus, 2017; Salahaldin, Angerer, Kraus, & Trabelsi, 2019).

While the influence of temporal distance on funders' decisions is evident, the way in which it moderates the effects of their motivations on behavioral intentions is unexplored. It is logical to think that when the funding period is near the end, the fact that potential funders feel important makes them behave in a more emotional way. Under these circumstances, the intrinsic motivations of funders will have a greater effect on their behavioral intentions in terms of funding and spreading positive WOM and eWOM about the project. Nevertheless, it can be also argued that when potential funders experience a closer temporal proximity to the beginning of the project, they perceive greater consequences derived from their decision (Kuppuswamy & Bayus, 2017) and, accordingly, a higher level of responsibility. Thus, funders would be more rationally involved in examining the extrinsic results and economic consequences derived from their decision. In brief, given that the moderating effect of the temporal distance on the role of funders' motivations in reward-based crowdfunding is an unresolved question, the following research question is proposed:

RQ2: How does the "time remaining until the funding deadline" moderate the effects of project attachment and business viability on potential funders' intentions?

(Insert Figure 1)

3. Methodology

To examine not only the direct effects included in the model, but also the moderating influences of the two campaign characteristics, an experiment was designed establishing different scenarios (i.e., different characteristics) related to the following crowdfunding-simulated project: a tourist attraction that would offer to visitors an enotourism experience in a wine cellar placed in their region. Subsequently, empirical data was collected through a survey questionnaire applied to individuals in their role as potential funders of that project. In

particular, a specific experimental scenario was assigned to each individual to know her/his assessments of the crowdfunding project.

3.1. Experiment

In order to introduce the respondents a realistic context, a project was simulated (i.e., the stimulus in the experiment) by taking as a reference the reward-based crowdfunding projects hosted in the platform Kickstarter.com. In the stimulus design, none of the specific attributes of the project was emphasized in order to avoid the inclusion of other possible effects on the results. In particular, our experiment consisted of four different scenarios, which were created from variations of the two characteristics of the crowdfunding-simulated project. First, the time remaining until the funding deadline (i.e., the temporal distance), distinguishing “3 days left” versus “29 days left”. Second, the percentage of target capital pledged (i.e., the funded amount), distinguishing “85% funded” versus “25% funded”. Thus, the four considered experimental scenarios were: 1) the project is 25% funded and 3 days left, named as potential-failed project; 2) the project is 25% funded and 29 days left, named as early-supported project; 3) the project is 85% funded and 3 days left, named as near-to-goal project; and 4) the project is 85% funded and 29 days left, named as potential-successful project. These values were determined from the timing and funding distributions provided by Kickstarter.com and reflect the key moments or milestones of the funding cycle (they were calculated from the crowdfunding projects hosted on its social platform). Then, the experimental scenario assigned to each respondent was described in detail. Finally, the questionnaire was administered (see the explanation in the subsection 3.3). It was the same for all the respondents in order to compare their responses to the questions about the project depending on the experimental scenario.

3.2. Survey sample

The target population consisted of Internet users, above 18 years old, and with previous experience in online transactions and social online platforms. This profile was considered since the crowdfunding projects are promoted and managed through online platforms, so potential funders are people highly familiarized with the use of Internet and online applications. As the size of target population was unknown and there was no census available, the selection of respondents was based on two non-random sampling procedures. First, a quota sampling method was used to minimize the potential biases in the selection of respondents. Specifically, the age and gender of the Spanish Internet users, as established by ONTSI (2016), were considered in order to build the profile of potential respondents. Second, a convenience method was applied to select the respondents: the main geographical areas of the Spanish region under investigation were selected to collect data in an efficient way. The main characteristics of the sample, which consisted of 311 respondents, are shown in Table 1. It is necessary to indicate that not only the overall sample is representative of the target population, but also the distribution of the survey sample among the four scenarios applied the quotas of age and gender of the population.

(Insert Table 1)

3.3. Questionnaire

The survey questionnaire was divided into three sections: (a) the socio-demographic profile of respondents, (b) their knowledge about the crowdfunding, and (c) their assessments of the crowdfunding-simulated project. First, respondents were asked for their characteristics (for example, gender or age), as well as for their experience with the Internet and the social online platforms such as Facebook or Instagram (only people with experience were selected). Second, after a brief definition of crowdfunding that was provided to the respondents, they

were asked for their level of knowledge about the crowdfunding and their positive or negative attitudes towards it. Third, a complementary card with all the information about the project to be crowdfunded was provided to the respondents. In order to simulate the crowdfunding decision, a card was developed in a similar way to a “virtual-funding page” within the crowdfunding platform “Kickstarter.com” (see Figure 2). This card included the percentage of target capital pledged and the time remaining until the funding deadline, which were different for each experimental scenario, and the rewards for funders and other technical details, which were equal in all the scenarios.

Once the respondents read all the information included in the corresponding card, they were asked for the viability, attachment, and behavioral intentions regarding the crowdfunding project. The items measuring the variables of the theoretical model are summarized in Appendix A (in all cases, a seven-point Likert scale was used, where 1 indicates complete disagreement with the statement and 7 complete agreement). Finally, following Douglas and Craig (2007), a pre-test was conducted before data collection to confirm the adequacy of the questionnaire.

(Insert Figure 2)

3.4. Statistical methods

First, the so-called Harman’s single-factor test was conducted through the program IBM-SPSS 3.2 in order to check for the eventual problems derived from the common method variance (CMV). More concretely, it was analyzed whether the correlation among variables was significantly influenced by their common measurement source (Chang, van Witteloostuijn, & Eden, 2010). Our empirical results showed the items are not concentrated in a single general factor, thus confirming that data is unaffected by CMV.

Second, the statistical method used to test the research hypotheses was the PLS-SEM. It was used by its advantages to estimate models with small samples (as is the case for the multi-group analysis for the four scenarios proposed), and its appropriateness for research where theory is yet at an early stage of development, as is the case of crowdfunding behavioral intentions (Shackman, 2013). In particular, we followed the two-step approach for analysis and interpretation of the results as established by Chin (2010). The first step consisted of the assessment of the outer (measurement) model, while the second stage was the test of the inner (structural) model. Besides, the technique of multi-group analysis was applied in order to check the moderating effects established in our research questions.

4. Results

4.1. Evaluation of the measurement model

The PLS analysis support the appropriate psychometrics properties of the measurement instruments used in this research. Accordingly, the reliability of the scales is confirmed (Table 2), given that Cronbach's Alpha and compound reliability coefficients (Bagozzi & Yi, 1988) are always above the limit value of 0.7 (Hair, Anderson, Tatham, & Black, 2010). For its part, the convergent validity of our scales is also verified (Table 2) as the values all the AVE coefficients are higher than 0.50 at the construct level and every item loading is over or very close to 0.7 (they are significant at the 0.01 level).

(Insert Table 2)

Three conditions are checked to support the discriminant validity of our measures (Tables 3 and 4). First, the cross loadings of each item's outer loading on the corresponding construct are, in all cases, bigger than the loadings on other constructs. Second, in all cases the square root of each AVE coefficient is higher than the correlation among factors, thus

fulfilling the criterion established by Fornell and Larcker (1981). Finally, as shown in Table 4, the heterotrait-monotrait (HT-MT) values for all constructs are below the limit of 0.90 proposed by Henseler, Ringle, and Sarstedt (2015).

(Insert Table 3)

(Insert Table 4)

4.2. Evaluation of the structural model

This study follows the three-step procedure suggested by Aldas (2016) in order to examine the structural model using SEM-PLS. According to it, the following parameters should be checked: (1) the R^2 value for the latent factors, (2) the coefficients Q^2 (blindfolding) estimating the predictive relevance, and (3) the significance of the path coefficients and the effect size (bootstrapping). A resampling bootstrap method is used with 5,000 bootstrap samples, each of them containing the same number of observations than the original sample (e.g., 311 bootstrap cases), to generate standard errors and t-values (Chin, 1998; Hair, Ringle, & Sarstedt, 2013). The path relationships between the latent factors in our model are estimated based on the sign and magnitude of the path coefficients (see Figure 3). The R^2 coefficients take values over 0.70 for the funding intention and over 0.40 for WOM and eWOM intentions, which evidences that the research model explains a substantial and moderate amount of the variance of the dependent variables, according to Chin (1998). Moreover, the Q^2 values obtained in the blindfolding stage are significantly higher than 0, which supports the predictive relevance of our model.

(Insert Figure 3)

Finally, the bootstrapping procedure (two-tailed test) is used to check the significance of the structural model path coefficients and the effect size. Figure 3 and Table 5 show the

path coefficients, effect size (f^2), t-values, and level of significance corresponding to the direct effects proposed in the hypotheses H1 to H6. All the direct causal effects proposed in our model are supported by empirical data. In addition, in all cases the Cohen's f^2 coefficients for the significant paths in the inner model are above 0.02, with the only exception of the direct influence of viability on funding intention. These values evidence appropriate results for the latent factors (Henseler, Ringle, & Sinkovics, 2009).

According to these results, project attachment is the strongest determinant of funding, WOM, and eWOM intentions. For its part, the effect of business viability is relevant to drive the individual's intentions to recommend the crowdfunding project through WOM and eWOM, but its effect on the funding intention is weaker. That is to say, an intrinsic motivation with an emotional component (i.e., project attachment), is a more important driver of crowdfunding behavioral intentions than an extrinsic motivation with an economic component (i.e., business viability).

(Insert Table 5)

4.3. Multi-group analysis: Moderating effect of time until funding deadline and percentage of funding committed

Regarding the research questions 1 and 2, a multi-group model was applied to examine the moderating role of the variables percentage of funding committed and time until funding deadline. This analysis allows for testing whether pre-defined data groups have significant differences in their group-specific parameter estimates – outer weights, outer loadings, and path coefficients – (Hair, Sarstedt, Ringle, & Gudergan, 2018). Since four sub-groups, corresponding to the four considered experimental scenarios, constitute our sample, we used the Welch-Satterthwaite Test, which assumes unequal variances across sub-groups (Keil, Tan, Wei, Saarinen, Tuunainen, & Wassenaar, 2000).

Table 6 summarizes the results obtained for the structural model path coefficients for each sub-group or experimental scenario. Beyond the interpretation of the significant structural paths for the sub-groups considered, it is also interesting to analyze the existence of differences for the path coefficients between scenarios (see Table 7). Next, a joint interpretation of these tables is made. The results show a high stability of the influence of project attachment on behavioral intentions (H1 to H3), because it has a significant impact on funding and WOM intentions for all the sub-groups, and on eWOM intentions in the case of three out of the four sub-groups. Only in the most pessimistic scenario, named as potential-failed project (scenario 1), attachment does not have a significant influence on the eWOM intention. When differences between scenarios are analyzed, it can be observed that attachment has a greater influence on the eWOM intention for early supported and near-to-goal projects (scenarios 2 and 3) than for potential-failed and potential-successful projects (scenarios 1 and 4). In other words, the effect of the intrinsic motivation on eWOM is higher for those projects in which communication between individuals can be decisive to achieve their goal. If the project is 25% funded and has 29 days until its deadline (scenario 2), the individual will consider that her/his eWOM communication allows new potential funders to know the idea, generating an upward trend in obtaining funds. Similarly, if the project is 85% funded and has 3 days until its deadline (scenario 3), the individual will feel that her/his eWOM communication is crucial for the project to achieve funds as soon as possible. On the contrary, for potential- successful and potential-failed projects, attachment makes a lower influence on the eWOM intention, because the resolution of the project seems to be decided regardless of the communication that the individual makes. Thus, significant differences are identified for the influence of attachment on the eWOM intention if the scenarios 1 and 4 are compared to the scenarios 2 and 3.

Regarding business viability, the results obtained in the multi-group analysis are more complex. First, the influence of viability on the funding intention is only significant in the most optimistic scenario, named as potential-successful project (scenario 4), where the accomplishment of the project is almost evident. This result is significantly different from the influence of business viability in the most pessimistic scenario, named as potential-failed project (scenario 1). Besides, business viability does not exert a significant effect on the funding intention for projects with pending resolution, either because the percentage of target capital pledge is low although there are several remaining days to increase funding (scenario 2), or because there are few days to increase funding although the percentage of target capital pledged is high (scenario 3). According to this result, it can be stated that the effect of business viability on the funding intention is only significant if the project is highly supported and there is enough time to achieve its goal.

Second, the effect of business viability on WOM intentions is similar for all the scenarios. The only significant difference between scenarios is observed between potential-failed and potential-successful projects (scenarios 1 and 4), being significantly greater for the latter. Third, the influence of business viability on the eWOM intention is only significant in the two extreme scenarios. Therefore, business viability causes individuals to spread eWOM communication in two situations: (1) if the project is clearly supported by the crowdfunding community (scenario 4), where potential funders show a “herding” behavior with their communication, and (2) if the project is in a critical situation (scenario 1), where potential funders consider their communication as the “last chance” to save the project. In both cases, potential funders have the capacity to reliably assess the business viability of the project, so they develop greater intentions to share their opinions on networks. It should be highlighted that the influence of business viability on the eWOM intention for these projects is significantly greater than for early supported projects (scenario 2). These latter projects

present a non-definitive economic situation, so potential funders' perception about business viability is not strong enough to encourage their recommendations in networks.

Overall, it can be stated that the influences of individual motivations on funding and WOM intentions are very similar for the four scenarios, being only some difference between extreme scenarios (potential-failed and potential -successful projects). The few significant differences for these four hypotheses imply that project attachment and business viability have similar influences on funding and WOM intentions beyond the deadline and the percentage of funding committed. Thus, projects in seemingly different situations are perceived in the same way by funders. However, the effect of the explanatory variables on the eWOM intention is much more heterogeneous, and difficult to interpret. In this case, projects in the most pessimistic and optimistic situations (scenarios 1 and 4) show minimum influences of attachment and maximum influences of business viability, which differ from effects obtained for projects in situations pending of resolution (scenarios 2 and 3). Thus, these results demonstrate the need for further research to obtain new empirical evidence about the moderating effects of project characteristics.

(Insert Table 6)

(Insert Table 7)

5. Conclusions

5.1. Theoretical contributions

The present paper represents an important step in the study of the reward-based crowdfunding, a recent phenomenon that is becoming a more and more relevant source of funding for entrepreneurs aiming to create new ventures. In contrast to previous studies, our theoretical model explores the influence of two individual motivations and two campaign characteristics that condition potential funders' behavioral intentions and, consequently, the

success of crowdfunding projects. In this way, it offers interesting answers to earlier calls to combine research streams with the aim of exploring under which conditions potential funders' motivations may have different effects on their behavior (Cholakova & Clarysee, 2015). Thus, it can be established that, to date, this paper offers one of the most comprehensive approaches to the study of reward-based crowdfunding from the potential funders' point of view.

The first theoretical contribution is related to the fact that the paper addresses potential funders' motivations considering a double perspective, which is inherent to all decision-making processes: an intrinsic motivation (i.e., attachment to the project) and an extrinsic motivation (i.e., business viability as perceived by individuals) to adopt a certain behavior. In contrast to previous studies, focused exclusively on intrinsic motivations (e.g., Kusumarani & Zo, 2019; Shneor & Munim, 2019; Simon, Stanton, Townsend & Kim, 2019), this double perspective examines the emotional and economic drivers, thus addressing the complex nature of crowdfunding both as purchasing and funding channel. The findings demonstrate that project attachment plays a main role in determining potential funders' intentions, while the influence of business viability is important on WOM and eWOM intentions. In contrast to the recent studies of Cholakova and Clarysee (2015) and Ryu and Kim (2016), this paper confirms that funding intentions are mainly determined by project attachment (i.e., an emotional driver). Notwithstanding, in line with the above-mentioned studies, it is also confirmed that business viability (i.e., an economic driver) is relevant in the willingness to recommend the crowdfunding project to other people and, therefore, in the success of a crowdfunding campaign.

The second contribution refers to the study of the moderating influence exerted by the campaign characteristics on the effects of potential funders' motivations on their behavioral intentions. The characteristics of a crowdfunding campaign act as clues for potential funders

and, consequently, may condition the way in which they make their evaluations, and form their intentions regarding the project. This paper has focused its attention on two especially relevant characteristics –i.e., percentage of capital pledged and time remaining until the deadline–, which dynamically display the project performance over the funding cycle (see also Du et al., 2019). The combination of these characteristics determines the key moments or milestones that should be analyzed in any project to study and predict its probability of success. The specific values for campaign characteristics have been identified from pledge distribution over time estimated by Kickstarter, which have allowed us to develop an instrument adjusted to reality that can be used in future research. Our findings demonstrate that these characteristics mainly moderate the influence of project attachment and business viability on the eWOM intention. Some of our results derived from the multi-group analysis are coherent with the findings of Zvilichovsky et al. (2018); particularly, three of the five significant effects of the moderator variables are identified in those scenarios where the capital pledged is 85%. However, the effect of this characteristic shows different trends that vary depending on the temporal distance and the individual motivation. These findings are consequent with the goal gradient effect and moderating effects examined by Kuppuswamy and Bayus (2017). Overall, the almost absence of differences for funding and WOM intentions, and the existence of differences for eWOM intentions, indicate that the relevance of the instrument developed to test these effects is determined by the type of funder's behavior under investigation.

5.2. Managerial implications

The findings of this research suggest several managerial implications, especially for entrepreneurs and platform operators:

- *Entrepreneurs should develop crowdfunding campaigns based on the generation of positive feelings and emotions among potential funders.* This kind of campaign will allow entrepreneurs to create bonds with their potential funders, giving rise to a community whose influence and support will go beyond the mere financing of the project. These ties, studied in the present paper through the concept of attachment, encourage the creation of long-term relationships that will be reflected not only in the launch of the crowdfunded project in the market, but also in the development of later related projects. In order to generate potential funders' attachment, it would be advisable that the description of the project employs storytelling techniques, trying to explain the "why" of the project. Potential funders will not back what the entrepreneur is going to do with the project, but they will back why he or she is doing it. Therefore, the campaign description should include information about the origin of the crowdfunding project, the personal motivation of the entrepreneur, or the social benefits derived from its achievement. This kind of description will allow potential funders to understand the human side of the project and feel that through their contribution they are part of something important.

- *Rewards of the project matter but are not enough to maximize potential funders' support.* While it is true that potential funders in reward-based crowdfunding projects analyze business viability before making a decision, the influence of this viability hardly influences their intention to fund the project, regardless of the percentage of target capital pledged and the time remaining until the deadline. On the contrary, this viability does influence the individual's intention to talk about the project in both online and offline environments. Thus, entrepreneurs should include economic information about the project in the description of the campaign, with the objective of maximizing the diffusion of the project between potential funders.

- *Reward-based crowdfunding platform operators should host projects with a clear social and human approach in order to increase their success rate.* This kind of crowdfunding project is able to induce potential funders' experiences and emotions during their interactions, which motivates positive final evaluations and behavioral intentions. Thus, when individuals read the project description, they evoke feelings of attachment that will continue throughout the campaign and that will probably be transferred to the platform. In this way, the crowdfunding platform will get more attention, obtain more traffic, and build a loyal network of funders.

5.3. Limitations and future research

This study presents some limitations that should be taken into account in future research. First, this research has collected data from variables that are psychological in nature and have thus been measured in a subjective way. Even though this is a common method used in previous research, it would be very interesting to address new research examining the influence of the campaign characteristics on both intentions and actual behaviors in crowdfunding. Second, the study has been developed considering a specific type of project as stimulus and analyzing all the respondents in an aggregated way, which may have conditioned our findings. For future research, it would be necessary to replicate our model employing a different stimulus and distinguishing profiles of respondents according to, for example, their knowledge about the crowdfunding, their attitude toward the project to be crowdfunded, or their involvement with the region where the project would be placed. Third, another potential limitation is linked to the endogeneity risk. Although this issue has been introduced in the literature about PLS analyses very recently (Hult et al., 2018; Sarstedt et al., 2019), and no statistical packages covers it at present, it would be interesting to test this issue when it is technically possible.

Finally, this study has not analyzed real scenarios of crowdfunding platforms, in which potential funders have to choose between several projects and the entrepreneurs try to acquire “new customers.” Addressing these scenarios involves testing the influence of different attributes related to the project and the platform, such as goal funding, duration, usability, and vividness, as well as analyzing the different phases of the individual’s decision-making process. In future research, it would be advisable to collect longitudinal data of several crowdfunding platforms, investigating the dynamic relationships between entrepreneurs and potential funders, and determining which types of funders present different motivations and prefer certain projects. Finally, this research does not consider the reputation of the crowdfunding platforms and entrepreneurs, which could significantly influence the potential funder’s attitudes and intentions (Shane & Cable, 2002). With the further growth of crowdfunding, future research should study the role of reputation on the individual’s perceptions and intentions.

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APPENDIX A

Measurement scales.

Intention to fund the tourism project (adapted from Olsen & Johnson, 2003)
If I found this project in real life, ...
FI1. ... it is likely that I would finance it.
FI2. ... I would make an effort to finance it.
FI3. ... I would have a firm intention to finance it.
Intention to spread WOM about the tourism project (adapted from Olsen & Johnson, 2003)
If I found this project in real life, ...
WI1. ... I would speak positively about this project with my friends and acquaintances.
WI2. ... I would give a positive opinion about this project to my friends and acquaintances.
WI3. ... I would recommend the financing of this project to other people.
Intention to spread eWOM about the tourism project (adapted from Olsen & Johnson, 2003)
If I found this project in real life, ...
EWI1. ... I would speak positively about this project on social networks and platforms.
EWI2. ... I would give a positive opinion about this project on social networks and platforms.
EWI3. ... I would recommend the financing of this project on social networks and platforms.
Project attachment (adapted from Lee, Keller, & Sterntal, 2010; Jin, Hu, B., & He, 2014)
If I found this project in real life, ...
PA1. ... offering my help to this project would seem important to me.
PA2. ... offering my help to this project would motivate me a lot.
PA3. ... offering my help to this project would make me feel good.
Business viability (adapted from Cryder, Loewet, & Seltman, 2013)
If I found this project in real life, ...
BV1. ... I would say the probability of this project reaching its objectives is very high.
BV2. ... I would say the probability of this project being profitable is very high.
BV3. ... I would say the probability that this project will obtain good results is very high.

Fig. 1. Conceptual model and hypotheses.

RQ1: Moderating effect of % funded

RQ2: Moderating effect of time remaining

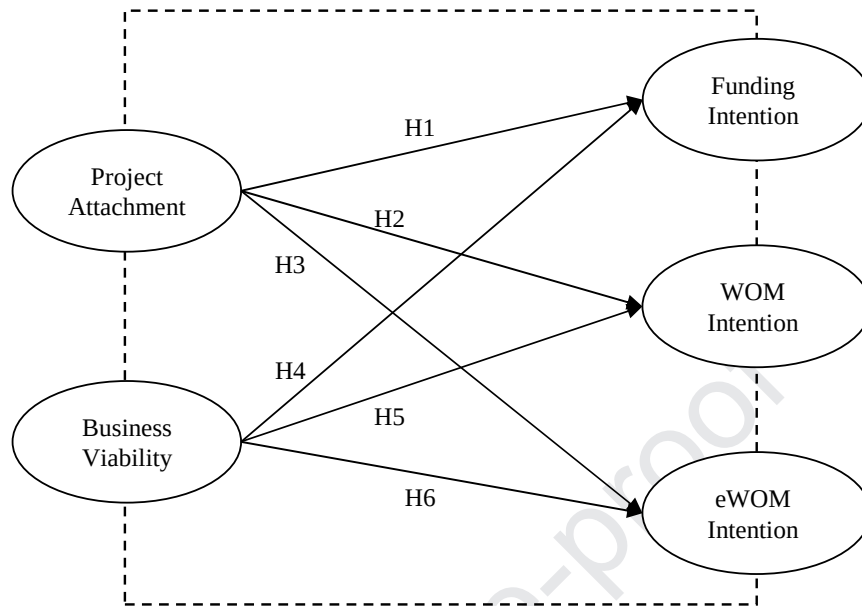
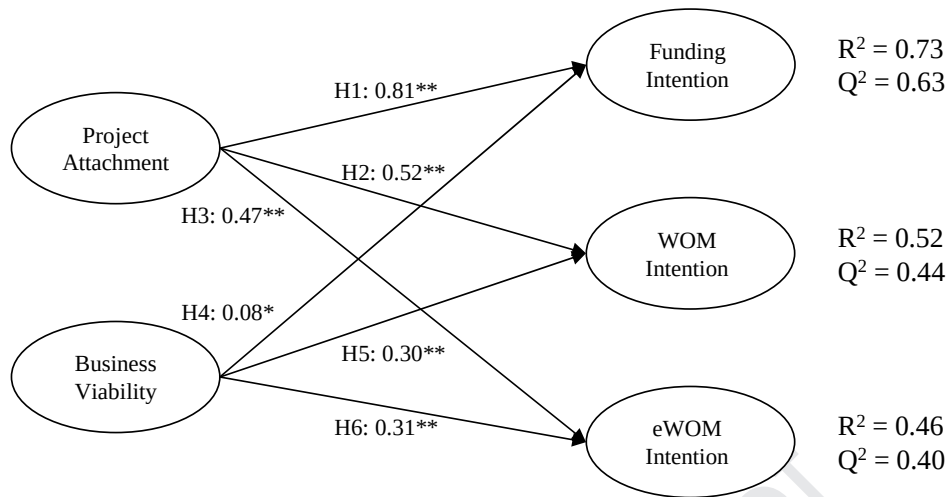
**Fig. 2.** Information about the crowdfunding project.

Fig. 3. Results of the structural model.

**p < 0.01; *p < 0.05

Table 1
Sample description.

Variable	%	Variable	%
Gender		Education level	
Male	50.2	Less than primary	3.2
Female	49.8	Primary	10.3
Age		Secondary	28.3
18 - 24 years	19.9	University	58.2
25 - 34 years	21.5	Frequency of online transactions	
35 - 44 years	25.1	Once a month or less	64.9
45 - 54 years	15.8	2 or 3 times per month	20.3
55 or more years	17.7	Once a week or more	14.8

Table 2
Measurement model.

Construct	Items	Loadings	Cronbach's alpha	Composite Reliability	AVE
Funding Intention (FI)	FI1	0.95	0.95	0.97	0.92
	FI2	0.96			
	FI3	0.96			
WOM Intention (WI)	WI1	0.95	0.95	0.97	0.90
	WI2	0.96			
	WI3	0.94			
eWOM Intention (EWI)	EWI1	0.96	0.96	0.97	0.93
	EWI2	0.97			
	EWI3	0.96			
Project Attachment (PA)	PA1	0.93	0.94	0.96	0.90
	PA2	0.96			
	PA3	0.95			
Business Viability (BV)	BV1	0.92	0.93	0.96	0.88
	BV2	0.94			
	BV3	0.96			

Table 3

Results for Fornell and Larker's criterion for discriminant validity.

	Funding intention	WOM intention	eWOM intention	Project Attachment	Business Viability
Funding Intention	0.957				
WOM Intention	0.741	0.951			
eWOM Intention	0.615	0.636	0.962		
Project Attachment	0.852	0.674	0.624	0.947	
Business Viability	0.492	0.566	0.545	0.510	0.940

Note: The diagonal represents the squared root of the average variance extracted. Below the diagonal, elements represent correlations among constructs.

Table 4

Results of heterotrait-monotrait ratio (HT-MT) analysis.

	Funding intention	WOM intention	eWOM intention	Project Attachment
WOM Intention	0.779			
eWOM Intention	0.642	0.665		
Project Attachment	0.898	0.712	0.574	
Business Viability	0.521	0.601	0.655	0.543

Table 5

Significance testing results of the structural model path coefficients.

Structural path	Path coefficient	Effect size (f^2)	T-value
H1: Project Attachment → Funding Intention	0.81**	1.81	33.307
H2: Project Attachment → WOM intention	0.52**	0.42	10.650
H3: Project Attachment → eWOM intention	0.47**	0.30	9.097
H4: Business Viability → Funding Intention	0.08*	0.02	2.388
H5: Business Viability → WOM intention	0.30**	0.14	5.439
H6: Business Viability → eWOM intention	0.31**	0.13	5.712

**p < 0.01; *p < 0.05

Table 6

Multi-group analysis: structural model path coefficients for each scenario.

	Scenario 1 (25% funded / 3 days left)	Scenario 2 (25% funded / 29 days left)	Scenario 3 (85% funded / 3 days left)	Scenario 4 (85% funded / 29 days left)
H1: Project Attachment → Funding Intention	0.88**	0.79**	0.78**	0.78**
H2: Project Attachment → WOM intention	0.51**	0.44**	0.57**	0.36**
H3: Project Attachment → eWOM intention	0.08 (n.s.)	0.78**	0.70**	0.34**
H4: Business Viability → Funding Intention	-0.01 (n.s.)	0.09 (n.s.)	0.15 (n.s.)	0.15**
H5: Business Viability → WOM intention	0.34**	0.38**	0.41**	0.55**
H6: Business Viability → eWOM intention	0.38**	-0.05 (n.s.)	0.24 (n.s.)	0.52**

**p < 0.01; *p < 0.05; n.s. = non-significant

Table 7

Multi-group analysis: structural model path difference for each pair of scenario.

	Difference Scenario 1 vs. Scenario 2	Difference Scenario 1 vs. Scenario 3	Difference Scenario 1 vs. Scenario 4	Difference Scenario 2 vs. Scenario 3	Difference Scenario 2 vs. Scenario 4	Difference Scenario 3 vs Scenario 4
H1: Project Attachment → Funding Intention	0.09 (n.s.)	0.10 (n.s.)	0.10 (n.s.)	0.01 (n.s.)	0.01 (n.s.)	0.00 (n.s.)
H2: Project Attachment → WOM intention	0.08 (n.s.)	0.05 (n.s.)	0.15 (n.s.)	0.13 (n.s.)	0.08 (n.s.)	0.21 (n.s.)
H3: Project Attachment → eWOM intention	0.70**	0.62**	0.26 (n.s.)	0.08 (n.s.)	0.44**	0.36**
H4: Business Viability → Funding Intention	0.09 (n.s.)	0.16 (n.s.)	0.16*	0.07 (n.s.)	0.07 (n.s.)	0.00 (n.s.)
H5: Business Viability → WOM intention	0.05 (n.s.)	0.07 (n.s.)	0.21*	0.02 (n.s.)	0.16 (n.s.)	0.14 (n.s.)
H6: Business Viability → eWOM intention	0.43*	0.14 (n.s.)	0.14 (n.s.)	0.29 (n.s.)	0.57**	0.28 (n.s.)

**p < 0.01; *p < 0.05; n.s. = non-significant

**POTENTIAL FUNDERS' MOTIVATIONS IN REWARD-BASED
CROWDFUNDING. THE INFLUENCE OF PROJECT ATTACHMENT AND
BUSINESS VIABILITY**

HIGHLIGHTS

Project attachment is the strongest determinant of the funder's behavioral intentions

Business viability influences the funder's WOM and eWOM intentions

Campaign characteristics moderate the effect of attachment and viability on eWOM