Want people to fund your Kickstarter project? Sell them on your reputation first

March 28 2018

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When trying to entice people to invest in your product on a crowdfunding website, potential funders are more concerned about your

ethical characteristics than your actual ability to make and deliver the product, according to new research from Binghamton University, State University of New York.

Popular crowdfunding sites, like Kickstarter and Indiegogo, give people a platform to display their ideas for products or services they'd like to create, giving virtually anyone the opportunity to fund the project. Funders may sometimes give money with the promise that they'll get the product in return once it's fully funded and completed.

Unlike other e-commerce platforms such as eBay and Amazon, most crowdfunding websites don't have a traditional product and seller rating system, meaning funders often enter into the process with a sense of uncertainty.

"Crowdfunding is interesting because you're literally buying something that isn't finished from a person who has never made it before. There are no product reviews, and there are no seller reviews," said Ali Alper Yayla, associate professor in Binghamton University's School of Management.

Binghamton University researchers Yayla and associate professor Surinder Kahai, along with Yu Lei from SUNY College at Old Westbury, dove into the uncertainties that funders experience in their decision-making process on crowdfunding platforms. They were particularly interested in how those uncertainties shifted in relation to product complexity. An example of a low-complexity product would be a t-shirt or a photo album, while a high-complexity product would be a 3D printer.

The researchers showed mock crowdfunding campaign pages for products of varying complexity to over 300 subjects. What they found is that no matter how complex the promised product was, potential funders

were more concerned with a seller's reputation and opportunism than the seller's competence and expertise to actually make the product they're promising.

"We found that people worry more about the seller's honesty than whether the seller actually has the ability and knowledge to finish and deliver on the product," said Yayla. "People don't want sellers to just take their money and run."

As a product gets more complex, their research also found that concern for the seller's reputation increases, while concerns over the seller's ability to create the product actually decreases.

"This was an unexpected finding," said Yayla. "You'd assume that people would think if the product is very complex, the seller may not actually have the ability to make it. On the other hand, you'd think that people wouldn't worry about [seller](#) competence in low-complexity products."

Yayla said one possibility for why this happens is that funders for high-complexity products may already be familiar with the science behind that product, and that unfamiliar funders probably wouldn't consider looking into the product in the first place.

Based on the findings, Yayla said those looking to start a [crowdfunding](#) project should be willing to provide plenty of detail about themselves to their potential funders. He said project initiators should consider providing links to social media pages or other sites that feature ongoing projects in order to help bolster their reputation.

The paper, "Unique Challenges of Decision-Making Process on Crowdfunding Platforms - An Exploratory Study," was presented at the 51st Hawaii International Conference on System Sciences.

Citation: Want people to fund your Kickstarter project? Sell them on your reputation first (2018, March 28) retrieved 6 May 2024 from https://phys.org/news/2018-03-people-fund-kickstarter-reputation.html