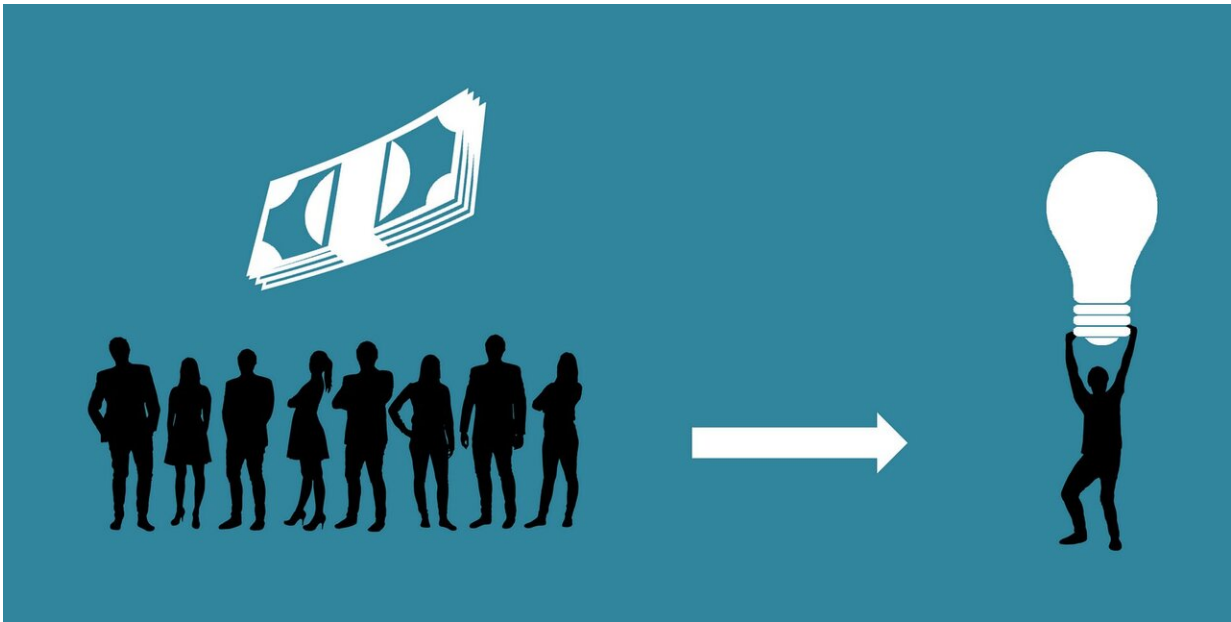


Narcissists have the most crowdfunding success, research reveals

February 11 2021, by Thomas Deane



Credit: CC0 Public Domain

Entrepreneurs that display the right level of narcissism are more likely to secure crowdfunding investment, new research from Trinity Business School reveals.

According to research from Dr. Francesca Di Pietro, Assistant Professor in Business Strategy at Trinity Business School, entrepreneurs who exhibit medium levels of narcissistic expression in their [crowdfunding](#)

campaigns secure more [investment](#).

The study, which examined 338 equity-crowdfunding campaigns conducted on the two main crowdfunding platforms in the UK, evaluated the impact of the 'dark triad' personalities on crowdfunding success.

The 'dark triad' comprises of three [personality traits](#): narcissism, Machiavellianism and psychopathy.

Narcissism is characterized by grandiosity, egotism and a lack of empathy; Machiavellianism, by behavior characterized by manipulation, exploitation, a lack of morality and [self-interest](#); and psychopathy is characterized by continuing antisocial behavior, impulsiveness, selfishness and remorselessness.

Di Pietro looked at the impact of these traits on entrepreneurs' ability to successfully obtain equity crowdfunding—in which people invest in a company in return for shares in that firm—because this type of financing sees investors become shareholders and so often these individuals have a higher interest in the future value of the start-up.

The study revealed that, while Machiavellianism displayed in crowdfunding campaign pitches has no effect on financing success, entrepreneurs who display traits of psychopathy lower their chances of securing investment.

Similarly, entrepreneurs who exhibited either extremely low- or high-levels of narcissism in their funding campaigns secured less investment than those who demonstrated a medium degree of narcissistic behavior.

Dr. Francesca Di Pietro, Assistant Professor in Business Strategy at Trinity Business School, Trinity College Dublin, says:

"Narcissists attract investment and gain support using two mechanisms: a persuasive effect, and a commitment effect. Narcissists employ rhetoric to persuade, influence and mobilize others, and often do so in a spontaneous and encouraging manner. Similarly, they demonstrate commitment and work hard to reach their goals, which is displayed in their expressions and is easily understood by investors.

"However, in both cases, these effects reach a turning point where, if [narcissism](#) levels are too high, they can actively discourage investment, whether that be through dishonest behavior and unreliability when trying to be too persuasive, or even rude and aggressive due to being excessively committed."

More information: Andrea Caputo et al. The Entrepreneurial Behaviour: Unveiling the cognitive and emotional aspect of entrepreneurship, (2020). [DOI: 10.1108/9781789735079](https://doi.org/10.1108/9781789735079)

Provided by Trinity College Dublin

Citation: Narcissists have the most crowdfunding success, research reveals (2021, February 11) retrieved 28 April 2024 from <https://phys.org/news/2021-02-narcissists-crowdfunding-success-reveals.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--