THE ROLE OF COLLECTIVISTIC AND RELATIONAL FRAMES IN CROWDFUNDING SUCCESS (SUMMARY)

Daniela Defazio  
*School of Management, University of Bath, d.defazio@bath.ac.uk*

Chiara Franzoni  
*School of Management, Polytechnic of Milan*

Cristina Rossi-Lamastra  
*School of Management, Polytechnic of Milan*
THE ROLE OF COLLECTIVISTIC AND RELATIONAL FRAMES IN CROWDFUNDING SUCCESS

Daniela Defazio, School of Management, University of Bath, United Kingdom
Chiara Franzoni, School of Management, Polytechnic of Milan, Italy
Cristina Rossi-Lamastra, School of Management, Polytechnic of Milan, Italy

Principal topic

The aim of this study is to examine how framing influences audience appreciation and support in the context of reward-based crowdfunding. Specifically, we investigate the role of a project's framing focusing on the context of large crowdfunding platforms, characterized by large amounts of posted projects competing for backers' attention and support. Building on framing theory, we propose that crowdfunding projects displaying a collectivistic or relational frame are more likely to succeed than projects not displaying these frames. We argue that these frames convey meanings that resonate with the values and ideas of the potential backers and demarcate a project over others, attracting backers' attention and shaping their decision to support the project. Moreover, we propose that the effect of these frames on crowdfunding success is moderated by the level of competition on the crowdfunding platform. We define competition in crowdfunding as the amount of same-category projects that were active during the crowdfunding period of a project. We test our hypotheses using a dataset of over 70,000 projects posted on Kickstarter from 2011 until 2013.

Method

To test our hypotheses, we use a Probit model that predicts the likelihood of success of a crowdfunding campaign as a function of its frame while controlling for other factors related to the quality of the project and characteristics of the proponent.

Results

The results indicate that a collectivistic or relational frame both contribute to increasing the chance of success. In particular, the higher the level of collectivistic or relational orientation displayed in the project's description, the higher the chances of success. Concerning the moderating effect of competition, we find that a higher degree of collectivism in the project description increases the chances of success when projects face lower than the average levels of competition within the category of reference. However, a higher degree of collectivistic orientation decreases the chances of success of projects facing a higher than average levels of competition within the category. Conversely, competition does not moderate the effect of a relational frame on the success of the crowdfunding campaign.

CONTACT: Daniela Defazio; d.defazio@bath.ac.uk (T): +44 (0) 1255 383821; School of Management, University of Bath, Claverton Down, Bath BA2 7AY.