PERSUASION SEQUENCES: A PROCESS APPROACH TO UNDERSTANDING INFLUENCE IN CROWDFUNDING CAMPAIGN (SUMMARY)

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SUMMARY

PERSUASION SEQUENCES: A PROCESS APPROACH TO UNDERSTANDING INFLUENCE IN CROWDFUNDING CAMPAIGNS

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Principal Topics

Persuasion is fundamental to resource acquisition for entrepreneurial ventures. Prior research has examined the importance of specific persuasion mechanisms employed by entrepreneurs to acquire resources (e.g., storytelling, identity claiming, passion), yet most of this research examines a single persuasion mechanism in isolation. Surprisingly little is understood about whether and how persuasion mechanisms are combined over time in ordered ways to enhance the resource acquisition efforts of entrepreneurs. To address this issue we examine three interrelated research questions: (1) whether and how entrepreneurs utilize and combine persuasion mechanisms in their efforts to acquire resources, (2) whether the quality and quality of persuasion mechanisms employed by entrepreneurs appears to influence the amount of resources they are able to garner, and (3) what antecedents enable entrepreneurs to enact and strategically combine persuasion mechanisms to increase their chances of acquiring resources.

Methods

We use case studies as a basis for theory building and theory elaboration. We analyze and contrast rich qualitative and quantitative data from four successful and four unsuccessful crowdfunding campaigns in four different product categories on Kickstarter. The individual project data are coded and analyzed to assess the nature, veracity, timing, and effects of the various persuasion mechanisms utilized on each crowdfunding campaign.

Results and Implications

We find that the quality and quantity of persuasion mechanisms employed by entrepreneurs during a crowdfunding campaign significantly impacts the level of outside interest in their entrepreneurial project, which in turn impacts the level of resources acquired for the project. We also find that an entrepreneur’s mindset about a project—whether they have a growth or fixed orientation—impacts the learning actions that they take—active versus passive learning—prior to launching a crowdfunding campaign, and those actions impact the quantity and quality of the persuasion mechanisms employed. Our central theoretical contribution is a holistic framework of a sequential process distinguishing between the perceptions and actions of entrepreneurs participating in successful and unsuccessful crowdfunding projects.

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