

Crowdfunding: the role of platforms in project success

Author: J.W. Veuger
University of Twente
P.O. Box 217, 7500AE Enschede
The Netherlands

ABSTRACT,

Crowdfunding is a growing industry where an entrepreneur raises funds for a project through the internet. The crowdfunding market equalled sixteen billion USD in 2014 and continues to grow rapidly. This study focusses on the role of platforms in crowdfunding. In particular, three aspects of crowdfunding platforms and their effect on the overall platform success rate are analysed. These are the platform size, the degree of regulation divided in four distinct categories, and the funding model(s) that a platform supports. Data has been collected from seventeen platforms, with four platforms offering both funding models. The data was analysed with a factorial ANOVA, to measure the effect between each individual variable and the platform success rate, and the interaction effects between the independent variables. Only the funding model yielded a significant effect on platform success rate. This result gives an understanding of the limited role of crowdfunding platforms on platform success rate, and encourages more qualitative research on crowdfunding platforms as to increase knowledge and ensure reliability.

**Supervisors: Prof. Rezaul Kabir
Dr. Xiaohong Huang
Dr. George Iatridis
Dr. Peter-Jan Engelen
H.C. van Beusichem**

Keywords

Crowdfunding, platforms, project success, reward-based, regulation, funding model, platform size

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1. INTRODUCTION

In recent years, crowdfunding has become a more and more common way to raise capital for new ventures. As entrepreneurs face difficulties raising the required financial resources through traditional means of financing, e.g. banks, venture capital funds or other equity financing, crowdfunding provides a solution. The difficulties that entrepreneurs face with specialized investors, such as banks, consider of a lack of assets to serve as collateral and insignificant cash flows (Cosh et al., 2009). It entails financing from the ‘crowd’, i.e. internet users, rather than investors, by receiving small investments by a large group of people (the ‘crowd’) before a fixed-time limit in order to reach a pre-determined goal (Ahlers, 2015; Belleflamme et al., 2014; Kuppuswamy, 2014). The global total raised amount of crowdfunding projects grew with 81% in 2012 to \$2.67B (Massolution, 2013), the following year it increased to \$6.1B, and in 2014 it further increased by 167% to \$16.2B raised. The prognosis of 2015 is that the global crowdfunding market will reach \$34.4B (Crowdsourcing.org, 2015). This growth is illustrated in Figure 1.

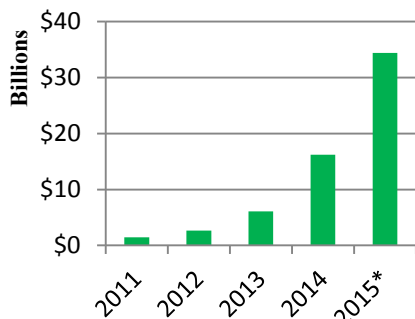


Figure 1. Crowdfunding market growth

The enormous growth of the crowdfunding market raises the importance of this alternative way of financing new ventures, and thus requires extensive research on the role of the parties involved in order to increase our understanding of crowdfunding. The three parties are: the investors (the ‘crowd’), the entrepreneur (or founder), and the platforms, which allow the entrepreneur to bring their project to the public.

Various research is conducted on the topic of crowdfunding, often with a focus on entrepreneurs or investors. Most notable is the work by Mollick (2014), who investigates the underlying dynamics of crowdfunding by studying project data from Kickstarter, the largest crowdfunding platform to date. His work focusses on project factors, e.g. geography, the relation between project quality and project success, and the fulfilment of obligations by founders to project backers. The primary focus is on the role of the entrepreneur whose actions can influence success of the projects. The research by Belleflamme et al. (2014) concentrates on two types of crowdfunding, the first is crowdfunding based on pre-ordering products, the second promises crowdfunders a share in future profits or equity. The preference on crowdfunding model of investors is discussed, and a theoretical analysis is conducted on the trade-off between either pre-ordering with diminishing profits through price discrimination and profit or equity sharing, and the influence of information asymmetry and quality uncertainty on this trade-off. The focus of Belleflamme et al. (2014) is also primarily on the role of the entrepreneur, however, in the concluding remarks it is suggested that research on the role of crowdfunding platforms is still limited and could be expanded by focusing, for example, on “the extent to which platforms increase the chances of success of crowdfunding initiatives or solve asymmetric information issues” (Belleflamme et al.,

2014, p. 602). Consequently, this paper will focus on the role of platforms, rather than entrepreneurs or investors, to fill this gap in the literature and also help entrepreneurs choose the best platform in order to succeed in funding their idea. More specifically, the focus will be on reward-based crowdfunding, as to expand on the works of Mollick (2014). Reward-based crowdfunding gives backers a reward for their contribution, or alternatively, allows backers access to products that the funded project produces (Mollick, 2014).

The research question that this paper will answer is: what factors of reward-based crowdfunding platforms influence the success of crowdfunding projects?

The accompanying sub-questions are: 1) to what extent does the funding model of reward-based crowdfunding platforms influence project success? 2) To what extent does regulation of reward-based crowdfunding platforms contribute to project success? and 3) What is the influence of platform size on project success?

The funding model, as mentioned in sub-question 1, is either All-or-Nothing (AoN) or Keep-it-All (KiA) for reward-based crowdfunding. Recently another funding model has emerged: continuous funding, which allows creator to receive funds on a recurring basis as seen on patreon.com. The second sub-question aims to seek a connection between quality pre-selection through regulation by the platform and success of projects on that platform. The third sub-question addresses the relation between platform size and project success as result of network effects.

The rest of the paper will be structured as follows. First, I will do a literature review where the concept of crowdfunding will be discussed, as well as crowdfunding platforms and the two-sided market function of these platforms. Second, I will discuss the data collection method, the variables to be analysed, and the scientific test to which the data will be subjected. Third, the results will be discussed and an analysis will be given. And finally, a conclusion will be drawn from the results and future research directions will be mentioned.

2. LITERATURE REVIEW

In this section the concept of crowdfunding in general will be defined based on the existing literature, as well as the definitions of various types of crowdfunding. In addition, the literature on crowdfunding platforms in particular will be reviewed.

2.1 The concept of crowdfunding

The term crowdfunding is derived from crowdsourcing, as mentioned by Schwienbacher et al. (2010) and Gerber & Hui (2013). A definition of crowdsourcing is provided: “Crowdsourcing takes place when a profit oriented firm outsources specific tasks essential for the making or sale of its product to the general public (the crowd) in the form of an open call over the Internet, with the intention of animating individuals to make a contribution to the firm’s production process for free or for significantly less than that contribution is worth to the firm.” (Kleemann et al., 2008, p. 6). Mollick (2014) regards crowdsourcing as merely an inspiration to crowdfunding, however, and emphasises that it represents a unique category of fundraising due to its growing popularity. Consequently, due to the size of the crowdfunding market as mentioned before, and the increasing importance, it has developed as a separate research field.

Several definitions of crowdfunding can be found in research on the topic; however, all-inclusive definitions are ‘elusive’ as mentioned by Mollick (2014), due to several types of

crowdfunding and more emerging. Schwienbacher et al. (2010) extend the definition of crowdsourcing and describe crowdfunding as “an open call, essentially through the Internet, for the provision of financial resources either in form of donation or in exchange for some form of reward and/or voting rights in order to support initiatives for specific purposes” (Schwienbacher et al., 2010, p. 4). However, in this definition, peer-to-peer lending is not included, as mentioned by Mollick (2014). In addition, Mollick (2014) addresses the goal of founders and the goal of funders in his definition, due to their importance and them being subject to the greatest variation.

The four main types of crowdfunding, of which three were already mentioned in Schwienbacher et al.’s (2010) definition, are as follows: patronage (or donation), equity, lending, and reward-based crowdfunding. The first regards funders as philanthropists; who don’t expect a direct (non-)financial return for their donation. In equity crowdfunding, funders are seen as actual investors which have a stake in the company. This form of crowdfunding has not yet been allowed in the United States and is relatively rare worldwide. In the lending model, funds are offered as loans, with a certain rate of return. Reward-based crowdfunding gives funder rewards for their contribution; it may also regard them as early buyers (Belleflamme et al., 2014; Kuppuswamy, 2014; Mollick, 2014; Schwienbacher et al., 2010).

2.2 Crowdfunding platforms

The role of platforms in specific is largely understudied, and generally isn’t the main focus of research. Belleflamme et al. (2013) studied the advantage of individual crowdfunding practices over standardised platforms, such as Kickstarter, with individual crowdfunding websites especially set up for that purpose, which raises the question whether or not all platforms are similar enough to be considered standardised.

First, the two-sided market function of crowdfunding platforms will be considered as mentioned by Belleflamme et al. (2014). Crowdfunding platforms play the role of the intermediary in two-sided markets that bring together two groups of users, where on one side are the entrepreneurs with their projects, and on the other side backers that invest their funds. Different than the traditional value chain, where costs is on one side (with its suppliers) and revenue on the other side (with its customers), costs and revenue are on both sides in two-sided markets (Eisenmann et al., 2006). This is also the case for crowdfunding platforms, where costs are incurred for running the platform, e.g. server costs, and where entrepreneurs pay a usage fee and payment processing fee, which can also be indirectly attributed to funders who provide the money. Eisenmann et al. (2006) also mentions factors that platforms need to take into account; one of these is the threat of envelopment. As crowdfunding platforms have overlapping user bases, due to the similarity of the platforms, it is possible that one platform can swallow the network of another. This is reflected in the current state of crowdfunding platforms, Crowdsourcing.org (2015) reports 521 crowdfunding platforms in total, of which 320 are donation or reward-based. Three platforms are very popular however, as measured in website traffic according to Alexa.com, with Kickstarter; Indiegogo; and GoFundMe, having a top-1000 global web ranking compared to the >10.000 ranking of other platforms, and are most likely to envelop other platforms user bases.

Network effects also play an important role in the crowdfunding market, where the value of a platform depends on the number of users on the other side. For example, the more entrepreneurs start projects on a certain platform, the more choice backers will have to find the project(s) they want to support. This effect

applies also on the other side; a crowdfunding platform becomes more attractive for entrepreneurs when there are more backers. Consequently, it is reasonable to assume that large crowdfunding platforms have a higher success rate due to network effects than smaller platforms. The size of a platform can be determined through the number of projects. The expected network effects ensure a proportionate number of backers on the other side. This is the first hypothesis:

Hypothesis 1: Large crowdfunding platforms, as measured in number of projects, have a higher project success rate than smaller platforms due to network effects.

More specifically, Agrawal (2013) mentions the main incentive of crowdfunding platforms, which is profit. To maximise profit, the number and size of projects needs to be maximised. In order to do that he suggests a number of design principles that help overcome asymmetric information issues between creators and funders. These information issues need to be resolved to prevent fraudulent behaviour by founders. *First of all*, reputation signalling is important, as personal relationships to obtain funding do not play as much a role with crowdfunding (Agrawal et al., 2011). These reputational signals can be subdivided in quality signals, such as the level of education of founders, feedback systems, and trustworthy intermediaries, e.g. social media such as Twitter, Facebook, and LinkedIn. *Secondly*, platforms can prevent fraud through rules and regulation, e.g. Kickstarter requires founders to set an expected delivery date. More strict requirements on the type of projects which are allowed can also prevent information related issues and fraud. *Thirdly*, crowd due diligence can serve as a way to detect fraud, for example through a report button on the project’s page. *Lastly*, a provision point mechanism, such as a threshold in an AoN project can increase information symmetry and reduce the risk to funders of funding a project which is not viable (Agrawal, 2013). When founders set a more realistic funding goal, it signals trust and realistic expectations to potential investors. Closely related to these design principles are various factors proposed by Gerber & Hui (2013), who point to the design principles of ‘support resource exchange’ and ‘provide transparency’ to increase information exchange between backers and funders. The focus of their research is on project creators and supporters and the motivations and deterrents they have for participation in crowdfunding; however, in the discussion part of the paper they extend on various design principles as to “motivate potential creators and supporters to individually begin and sustain their involvement in crowdfunding” (Gerber & Hui, 2013, p. 24). The proposed Support Resource Exchange design principle encourages the exchange of human and information resources in addition to financial resources. However, the exchange of information resources already takes place through forums set up on platforms where entrepreneurs can give updates and backers can request updates or discuss problems as mentioned by Gerber & Hui (2013). In addition, the exchange of human resources may not be a general design principle, but rather a proposal for a new type of crowdfunding, as demonstrated through the example of VolunteerMatch (Gerber & Hui, 2013). The goal of the Provide Transparency design principle is to create trust, which will support future participation, through the disclosure of, for example, legalities (for copyright) in the sign-up process. This design principle can be grouped under the rules and regulation principle by Agrawal (2013).

In conclusion, the design principles as proposed by Agrawal (2013) will be tested; in particular the sub-research questions cover the second and last design principle. The rules and regulation design principle relates to the pre-selection of

projects as to reduce fraud. This will be tested with the following hypothesis:

Hypothesis 2: More stringent platform rules for allowing projects leads to a higher project success rate.

The provision point mechanism will be covered through the AoN or KiA funding models in sub-research question two. Setting a realistic goal with an AoN project signals trust, and reduces the risk to funders, as they get refunded if the project does not reach its goal. It is therefore likely that the success rate of projects on platforms with the AoN funding model is higher than on KiA platforms. This leads to the following hypothesis:

Hypothesis 3: Projects on platforms with an AoN funding model have a higher success rate than projects on platforms with a KiA funding model, due to the *provision point mechanism*

As for the first and third design principle, the reputational signalling already takes place through forums where feedback can be given and the option to promote the project through Facebook shows the use of trustworthy intermediaries. The third design principle, crowd due diligence, takes place through the ‘Contact us’ option that every platforms provide. These principles will therefore not be included in the analysis.

3. DATA AND METHODS

In order to answer the research questions, data from ten crowdfunding platforms will be used. To compare the various crowdfunding platforms, the focus will be on all creative projects, while excluding donation-based categories such as ‘charity’ that some platforms offer besides reward-based categories. In particular, three platform-specific factors will be analysed in relation to the project success rate on the platforms.

The relation between the dependent variable: the success ratio of projects; and the three independent variables: the funding model, regulation on the platform, and the size of the platform (# of finished projects), will be tested using a factorial ANOVA test. This statistical test gives an understanding of how the dependent variable, i.e. project success rate on each platform, changes as effect of a change in one of the independent variables: platform size, regulation, and platform funding model. In addition, it will measure the interaction effects between the various variables involved. It was chosen due to the nature of the independent variables, which were all categorical, and the Shapiro-Wilk test results which rejected a non-normal distribution and thus allowed for a parametric test.

Seventeen reward-based crowdfunding platforms are analysed for this paper, those are: Crowdfunder, Dreamore, Eppela, FundAnything, FundedByMe, Ideame, Indiegogo, Kickante, Kickstarter, Octopousse, Planeta.ru, Pozible, PPL, Rockethub, Ulule, Verkami, and Wefund, based on their popularity in terms of web traffic (Similarweb.com, 2015). Excluded were platforms that were mainly focussed on donation-based projects, due to the different motivations involved of the backers, i.e. charity rather than supporting a new product and receiving something in return. On Crowdfunder, FundAnything, Ideame, Planeta.ru, and Ulule, the Politics/Community, Personal/Causes, Social Impact, Charty and Charity & Citizen categories respectively, were excluded for the same reason. Platforms that allowed continuous funding were factored out as well, as it would make it difficult to determine project success. Platforms that only offered a single creative category were also excluded, as certain categories may be more popular than others and this would not be representative for diverse platforms.

To compare and see what influences the project success rate, i.e. the percentage of projects reaching their target within the set time, three independent variables will be used. The first is the

funding model of the platform; this can be ‘All-or-Nothing’ where entrepreneurs set a goal for their project and if this goal is not reached the pledged funds will be refunded and the entrepreneur receives nothing, or alternatively, there is the ‘Keep-it-All’ funding model where entrepreneurs can keep all the pledged funds whether they have met their goal or not (Cumming et al., 2014). Some platforms, such as Indiegogo, offer both types of funding models, the results of each category will be separately analysed and compared. The second variable is the platform size, which is measured by the total number of projects. Where small platforms have between 100 and 2000 projects, medium sized platforms have between 2000 and 20.000 projects, and large platforms have more than 20.000 projects. The last independent variable is the regulation of the platform, such as rules and active monitoring systems, which I have categorised in four distinct categories: 1) Little to no restrictions, refers only to a general Terms of Service (ToS); 2) Refers to a general ToS, and offers refunds 3) Has explicitly stated rules outside the ToS, but doesn’t mention active reviewing to prohibit fraud; and 4) Provides explicit rules, and actively monitors projects. One platform was assigned to category four, despite lacking explicitly stated rules, due to its active monitoring of projects.

The data will be obtained manually and using site scraping software, called import.io, which allows variables of webpages to be recorded and saved in an excel sheet. This data can then be easily saved for the results section and analysed. The manually collected data includes the funding model and the regulation variable. Two platforms, Indiegogo and The regulation variable is based on the availability of explicit rules outside a general Terms of Service, mention of active monitoring of projects, and the possibility to get a refund. The platform size and success ratio variables will be collected manually from Kickstarter, Octopousse, Ulule, and Verkami, which provide a statistics overview, for the other platforms this will be done with the site-scraping software as they do not provide statistics. More specifically, the software was first used to extract all the URLs from the projects on each platform. Then the pledged amount, goal amount, project finished status (as to exclude active projects), were identified on the project pages and the previously collected URLs were used to bulk extract these variables for each project on the platform. The success rate was calculated as a percentage of successful projects on all projects. The platform size was determined by the total number of projects identified when collecting the project links. Due to the higher number of projects on Indiegogo, and thus time it would take to extract the desired data, it wasn’t possible to obtain the data in the aforementioned way, rather the results from a August 2014 site scrape were used collected by HiveWire (Shopify, n.d.).

4. RESULTS

In this section an empirical description will be given first of the collected data as listed in Appendix A. After which the analysis will be described and the relation between the variables will be tested using a factorial ANOVA.

Table 1. Mean success rates for the extreme categories of each variable

	100-2.000 projects	20.000+ projects
Platform size	45.57%	21.5%
	AoN	KiA
Funding model	13.41%	58.24%

	Type 1 (low)	Type 4 (high)
Regulation	48.53%	40.64%

4.1 Platform data

Starting with the platform size, only Kickstarter and Indiegogo fall in the largest platform category of more than 20.000 projects, while also being approximately 20 times as large as the next platform, with 226.000 and 246.000 projects respectively. Pozible, Rockethub, Ulule and Verkami, are considered to be medium-sized and Crowdfunder, Dreamore, Eppela, FundAnything, FundedByMe, Idea.me, Octopousse, Planeta.ru, PPL, and Wefund are part of the small platforms. The two largest platforms differ significantly in regard to the success rate, where Kickstarter has a 37.91% success rate, it's much lower for Indiegogo with only 9.8% overall and 17.1% for AoN projects. Also the difference in AoN and KiA projects is notable on Indiegogo, with AoN projects almost doubling the success rate of KiA projects (9.5%). The difference between KiA and AoN funding models can also be seen on Idea.me and Kickante, which also offer both funding models. Overall the success rate of AoN platforms appears to be higher, with Indiegogo as the lowest, with a success rate of 17.1%. The difference between AoN and KiA projects on one platform is the smallest with the Chinese Dreamore platform, which has a 24.63% success rate for KiA projects, the highest measured, and a 43.46% success rate for AoN projects. However, the smallest difference in number of projects appears to be on Ideame where KiA projects account for nearly 43%. Striking is also the 97.92% success rate of Wefund.

With regard to regulation, platforms that score a 1 or two, i.e. they have little restrictions and only refer to a general terms of service, appear to have the lowest success rate: between 5 and 18 percent, with exception of Planeta.ru and Wefund, where the former has a 69.54% success rate and the latter nearly 98%.

In Table 1 the mean results of the extreme categories of each variable are listed. On average, smaller platform seem to have a higher success rate than larger platforms, but this very much depends on the Indiegogo data. Also low regulation appears to have a higher success rate than higher regulation on a platform. In regard to the funding model, AoN platforms on average have a lower success rate, and only with this variable a positive relation can be seen in the means.

4.2 Statistical analysis

A factorial ANOVA test was conducted to measure the effect of the platform size, regulation and funding model independent variables on the success rate of platforms. Additionally, the interaction between these variables on the success rate of platforms was tested.

Platform success rates was subjected to a three-way analysis of variance with three levels of platform size (small, medium, and large), two levels of funding model (KiA and AoN), and four levels of regulation (types 1, 2, 3, and 4). Only the effect of the funding model on the platform success rate was found to be statistically significant at the .05 significance level. The main effect for platform size resulted in an F-ratio of $F(2, 9) = 4.029$, $p > .05$ indicating a non-significant difference between small ($M = 0.46$, $SD = 0.28$), medium ($M = 0.52$, $SD = 0.23$), and large ($M = 0.22$, $SD = 0.15$) platforms. As for funding model, the main effect resulted in a F-ratio of $F(1, 9) = 34.346$, $p < .01$ indicating a significant difference between KiA ($M = 0.13$, $SD = 0.06$) and AoN ($M = 0.58$, $SD = 0.19$) platforms. Whereas KiA platforms had on average a 13% success rate, AoN platforms averaged a 58% success rate. The main effect of

regulation on the platform yielded an F-ratio of $F(3, 9) = 1.303$, $p > .05$ indicating that the effect of regulation on platforms is insignificant between regulation type 1 ($M = 0.49$, $SD = 0.42$), type 2 ($M = 0.37$, $SD = 0.46$), type 3 ($M = 0.56$, $SD = 0.1$), and type 4 ($M = 0.41$, $SD = 0.23$).

The interaction effects between the variables were not found to be significant. The interaction effect between platform size and funding model was found to be insignificant with an F-ratio of $F(1, 9) = 1.688$, $p > .05$. The same was true for the interaction effect between platform size and regulation with an F-ratio of $F(1, 9) = 0.163$, $p > .05$, and the interaction effect of platform model and regulation with an F-ratio of $F(2, 9) = 2.184$, $p > .05$. The interaction effect between platform size, funding model, and regulation could not be determined due to a lack of degrees of freedom.

5. DISCUSSION AND CONCLUSION

Despite the large industry crowdfunding has become, with an estimated market of \$34.4B in 2015, research on crowdfunding leaves much to be desired. Although the perspective of the pledger and the investor have been researched to a degree, the perspective of the platform remained largely unstudied, which can be seen in the literature review where few of the papers focus on platforms in particular. Following the review of a paper about two-sided markets, as suggested by Belleflamme et al. (2013), the first hypothesis can be established which recognises network effects of large platforms which can contribute to a platforms success rate. Agrawal (2013) suggests several other design principles, of which the last two hypotheses are derived. The first is the prevention of fraud through regulation, which may positively contribute to platform success rate. The second is the provision point mechanism, which is the availability of a funding model which supports a target that must be reached, as to signal trust with a realistic goal. The data was collected from seventeen platforms, with four platforms offering both funding models. The data was analysed using a factorial ANOVA to test the effect of the three independent variables, platform size, regulation, and funding model, on the platform success rate, and the interaction effects among these independent variables. Only a significant effect was found between the platform funding model and platform success rate.

Looking at the three hypotheses, conclusions can be drawn following the results.

Hypothesis 1: Large crowdfunding platforms, as measured in number of projects, have a higher project success rate than smaller platforms due to network effects.

The network effects from the paper of two-sided markets by Eisenmann et al. (2006) were not found, as the effect of large platforms on platform success rate was not found to be significant. Consequently the first hypothesis is refuted.

Hypothesis 2: More stringent platform rules for allowing projects leads to a higher project success rate.

An effect of regulation on platform success rate was also not found with the factorial ANOVA. Thus, the second hypothesis can also be refuted.

Hypothesis 3: Projects on platforms with an AoN funding model have a higher success rate than projects on platforms with a KiA funding model, due to the *provision point mechanism*

The effect between funding model and platform success rate was found to be significant. Consequently the third hypothesis was not refuted, there appears to be a significant difference in

success rates between Keep-it-All and All-or-Nothing platforms.

Despite distinct differences between the platforms, only the platform funding model appeared to have a significant effect. The success rate wasn't seen to be influenced by platform size; both large and small platforms alike can have a high success rate. Similarly, the degree of regulation on a platform did not necessarily contribute to a higher success rate. As result, the role of the platform appears to be of a limited influence on project success on reward-based crowdfunding platforms. To answer the research question, "What factors of reward-based crowdfunding platforms influence the success of crowdfunding projects?", only the funding model appears to be a significant factor that influences the project success rate. This result was also found by Cumming et al. (2013) with their research on the two funding models.

The research was limited for a number of reasons. First of all, there was no definitive overview of crowdfunding platforms, which made it difficult to determine the total number of reward-based crowdfunding sites, creating an appropriate sample was therefore also more difficult. In addition, many platforms had overlap between reward-based and donation-based crowdfunding categories, with the vast majority being mostly donation-based platforms. Another factor that limited data collection was the lack of transparency that many platforms showed by hiding unsuccessful campaigns or not providing historical data altogether. Due to a lack of time and the aforementioned factors, the collected data is limited and may not be reliable for the entire population. Limited information on regulation on the platforms might also have affected results, as platforms may have failed to mention good practices or do not strictly follow their own regulation.

In order to improve upon this research on reward-based crowdfunding platforms, additional qualitative research is required. Limited literature is available on design principles; interviews with platforms could enhance this theoretical knowledge. Additionally, research on new niche platforms should be conducted, as the current research has mainly been conducted on diverse platforms with typical crowdfunding elements; the financial support and no after-support. The effects of offering a single category and other distinct crowdfunding features, such as dedicated crowdfunding platforms for raising funds for research (Petridish.org) or platforms that give access to specific industry resources (Slated.com), should be measured.

In an industry where the total market value more than doubles every year, additional research on crowdfunding is a must as to understand the crowdfunding phenomenon and give entrepreneurs as well as pledgers the knowledge to choose the platforms that suits their needs, as well as give platforms the know-how to improve.

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8. APPENDIX A

Data collection results

Platform name	Country	Finished projects	Funding model	Regulation	Success rate
Crowdfunder	United Kingdom	1.928	All or Nothing	3	49.17%
Dreamore	China	826 (960)	All or Nothing	4	43.46% (40.83%) ¹
Dreamore	China	134 (960)	Keep it All	4	24.63% (40.83%)
Eppela	Italy	434	All or Nothing	1	68.20%
FundAnything	United States	779	Keep it All	2	5.01%
FundedByMe	Sweden	955	Keep it All	1	10.61%
Ideame	Latin-America	672 (1172)	All or Nothing	4	62.50% (41.30%)
Ideame	Latin-America	500 (1172)	Keep it All	4	12.80% (41.30%)
Indiegogo	United States	10.824 (246.000)	All or Nothing	4	17.1% (9.8%)
Indiegogo	United States	235.176 (246.000)	Keep it All	4	9.5% (9.8%)
Kickante	Brazil	32 (204)	All or Nothing	4	65.36% (22.06%)
Kickante	Brazil	172 (204)	Keep it All	4	13.95% (22.06%)
Kickstarter	United States	226.077	All or Nothing	4	37.91%
Octopousse	France	319	All or Nothing	4	66.80%
Planeta.ru	Russia	604	All or Nothing	2	69.54%
Pozible	Australia	8.688	All or Nothing	4	57%
PPL	Portugal	671	All or Nothing	4	48%
RocketHub	United States	3.851	Keep it All	1	17.40%
Ulule	France	11.385	All or Nothing	3	63.02%
Verkami	Spain	4.456	All or Nothing	4	69.32%
Wefund	United Kingdom	384	All or Nothing	1	97.92%

¹ Platforms that offer both funding models are have separated entries for each funding model, with the overall value of the platform size and success rate in parentheses.

