EMPIRICAL ANALYSIS OF THE PARTICIPATION BEHAVIORS OF INVESTORS ON CROWDFUNDING PLATFORMS

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This project examines the phenomenon of crowdfunding, which allows individuals to seek investments for a project, campaign, or venture. Typically this is done via the Internet, through the participation of large numbers of investors (or backers) who invest or donate small amounts of money. The reason for investor’s participation is because their actions increase the probability of the product going to market. Meaning that if investors see something that they are interested in purchasing, by donating money they improve the chance that the product will exist for themselves or others to buy in the future. Another motivation is that investors are rewarded throughout the process and if they meet certain thresholds they receive better rewards, this occurs until those rewards run out or until the project reaches its goal. Certain factors such as the day of the week or which month a person chose to launch their campaign has much more effect on the probability of success than one may think. During this study, I found that there were multiple factors that altered one’s likelihood in having a fully funded project. In this study, I have examined both international and US projects across many categories, and determine what factors lead to the successful completion of crowdfunding campaigns. I have also discovered how much of an impact the factors had. Therefore, depending on whether a factor has a positive or negative impact, one will be able to take calculated risks and determine which actions to take to increase their chances of success.