Is Prior Failure a Burden for Entrepreneurs' Follow-Up Crowdfunding Success?: An Expectancy Violations Theory Perspective

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Introduction

Entrepreneurs seeking funding on rewards-based crowdfunding platforms often fail (Fan-Osuala, 2021). Over the last decade there have been more than 1.5 million failures on rewards-based crowdfunding platforms. Failure is common – failure rates on platforms like Kickstarter are over 60% – which is consequential given the "all or nothing" model typical of such crowdfunding platforms (Stevenson et al., 2022). These facts together make understanding failure important for entrepreneurs and scholars alike.

Accordingly, scholars have devoted increasing attention to failure in rewards-based crowdfunding (Piening et al., 2021; Soublière & Gehman, 2020; Stevenson et al., 2022). What we know from these studies is that entrepreneurs' changes to their pitches following failure can help secure subsequent crowdfunding, with moderate changes the most effective (Piening et al., 2021). Related endeavors that have a greater magnitude of failure negatively impact a focal entrepreneur's chances of success (Soublière & Gehman, 2020). Moreover, entrepreneurs that have a lower magnitude of failure receive more positive market validation due to a social proof function which positively influences their long-term performance off crowdfunding platforms (Stevenson et al., 2022). This research has advanced our knowledge, yet important gaps in our understanding remain. First, prior research has not directly examined how entrepreneurs' prior crowdfunding failure impacts their own subsequent crowdfunding success. Research suggests how crowdfunders (henceforth funders) will interpret and evaluate prior crowdfunding failure is ambiguous. This ambiguity arises because failure carries both positive meanings, such as a valuable learning experience (Soublière & Gehman, 2020; Stevenson et al., 2022), and negative meanings, such as concerns about entrepreneurs' abilities (Roccapriore et al., 2021). Thus, how funders evaluate prior crowdfunding failure likely varies, and we do not know why funders view some failure as more or less of a burden for entrepreneurs' subsequent crowdfunding success.

A promising avenue for understanding why funders view some failure as more of a burden is to delve into the influence of gender. Failure has been shown to activate gendered expectations surrounding entrepreneurs (Ucbasaran et al., 2013) but prior research has treated entrepreneurs monolithically meaning we still do not know how differences in the gender (i.e., *who*) of the entrepreneur that failed and the gender-typing of the context in which they failed (i.e., *where*) impacts how funders evaluate prior crowdfunding failure. This is important given crowdfunding research has shown gender to be a salient demographic attribute impacting how entrepreneurs are evaluated (Seigner et al., 2022). Indeed, evidence suggests that women are more successful in crowdfunding than men (Johnson et al., 2018). Likewise, the gender-typing of funding categories has been shown to influence whether an entrepreneur is viewed as congruent or incongruent with the gender norms and expectations of their context and, in turn, how funders evaluate entrepreneurs and thus how they make funding decisions (McSweeney et al., 2022; Seigner et al., 2022; Wesemann & Wincent, 2021). Taken together, addressing these gaps will advance scholarly understanding of how funders evaluate entrepreneurs' prior crowdfunding failure and why prior failure is or is not a burden for entrepreneurs' subsequent crowdfunding success. Thus, in the current study, we ask the following research questions: 1) how does prior crowdfunding failure influence entrepreneurs' subsequent crowdfunding success and 2) how does entrepreneur gender and gender congruency within the failed funding category moderate funders' evaluations of entrepreneurs' prior failure and, in turn, subsequent crowdfunding success?

To address our research questions, we integrate crowdfunding failure research (Piening et al., 2021; Stevenson et al., 2022) with expectancy violations theory (Burgoon & Hale, 1988; Burgoon, 1993; Roccapriore et al., 2021; Seigner et al., 2022). In the crowdfunding context, failure has been characterized as an ambiguous violation: while failure typically has a negative

connotation, this outcome is also expected in the entrepreneurship context (Roccapriore et al., 2021). Moreover, the public visibility of crowdfunding projects makes failure highly observable to prospective funders evaluating whether to provide funding to an entrepreneur's subsequent project. Expectancy violations theory argues that when evaluating an ambiguous violation, observers consider *both* the magnitude of the violation as well as the valence they have towards the actor based on personal characteristics and the context in which the violation occurred (Burgoon, 2015). Accordingly, we begin with the baseline proposal that as entrepreneurs' magnitude of prior crowdfunding failure increases, funders considering subsequent pitches are more likely to similarly perceive the entrepreneur as not having the abilities to be successful based on the social proof of the prior negative market feedback (Stevenson et al., 2022). The funders are then again more likely not to fund entrepreneurs' subsequent crowdfunding projects. We then draw on work that has linked entrepreneur and funding category characteristics with funders' expectancy violation evaluations (e.g., Seigner et al., 2022) to theorize the moderating role of entrepreneur gender and gender congruency within the failed funding category – two aspects that shape the valence that funders have towards the entrepreneurs.

We test our arguments using a multi-study approach. The first study is a survey of 309 participants on the Prolific platform of prospective funders' due diligence processes. In this study, we find that funders are aware of, actively investigate, and are influenced by entrepreneurs' prior failures when evaluating whether to provide funding to entrepreneurs' subsequent projects. The second study is a field study of 1000 individual entrepreneurs (690 men and 310 women) in the United States who experienced a crowdfunding failure the first time they sought crowdfunding and then subsequently sought crowdfunding a second time on Kickstarter between 2017 and 2024. The results of our field study show that as the magnitude of failure

increases, entrepreneurs' likelihood of subsequent crowdfunding success decreases. Our results further indicate that entrepreneur gender and gender congruency within the failed funding category moderate this baseline relationship, such that as magnitude of prior crowdfunding failure increases, women entrepreneurs and entrepreneurs that failed in a gender incongruent project category are more likely to secure subsequent crowdfunding. The third study is a decision experiment of 210 participants on the Amazon Mechanical Turk (MTurk) platform. The results of our decision experiment provide broad support to the findings from our field study.

Our study offers three key contributions. We make two contributions to the growing body of research examining failure in rewards-based crowdfunding (Piening et al., 2021; Soublière & Gehman, 2020; Stevenson et al., 2022). First, we test a central, unexamined assumption underlying prior research—that funders are cognizant of entrepreneurs' previous crowdfunding failures and consider these failures in evaluating entrepreneurs' subsequent crowdfunding projects. The results of our three studies demonstrate that prior crowdfunding failure is an important factor that shapes how funders evaluate entrepreneurs and, in turn, entrepreneurs' ability to secure crowdfunding in their subsequent projects.

Second, we further contribute to research examining failure in rewards-based crowdfunding by drawing on expectancy violations theory and the concept of *actor valence* (Burgoon, 2015; Chandler et al., 2024; Seigner et al., 2022). In doing so, we engage in theoretical elaboration (Fisher & Aguinis, 2017) to extend our understanding of factors that influence how funders interpret and evaluate prior failure. Prior research has highlighted the magnitude of prior failure as a salient factor (Piening et al., 2021; Soublière & Gehman, 2020; Stevenson et al., 2022). Aside from this intuitive finding, we know little about what factors are considered by funders to resolve ambiguity surrounding entrepreneurs' prior failure. Why might funders attribute prior

failure to concerns about entrepreneurs' abilities? Why might they instead view prior failure as a learning opportunity that provides the foundation for subsequent crowdfunding success? We theorize and find support for our argument that funders resolve the ambiguity surrounding prior failure by considering the magnitude of failure in conjunction with the *valence* they have towards the entrepreneur. Specifically, we find that entrepreneurs with greater prior magnitudes of failure are more likely to achieve subsequent crowdfunding success when funders have more positive valence towards the entrepreneurs based on who the entrepreneur is and where they failed.

Third, we contribute to scholarly discussions on conditions that contribute to women's advantages in rewards-based crowdfunding (e.g., Greenberg & Mollick, 2017; Johnson et al., 2018; Seigner & Milanov, 2023). While prior research has shown that women entrepreneurs tend to be more successful relative to men entrepreneurs in securing crowdfunding (e.g., Geiger, 2020; Johnson et al., 2018; Wesemann & Wincent, 2021), little attention has been paid to whether this advantage holds following crowdfunding failure**.** We find that prior failure is less of a burden for women relative to men entrepreneurs' subsequent crowdfunding success, particularly as the magnitude of prior crowdfunding failure increases. Finally, our study provides practical implications for entrepreneurs seeking rewards-based crowdfunding and for crowdfunding platform operators.

Theoretical Framework

Crowdfunding Failure

The recognition that failure is the likely outcome on rewards-based crowdfunding platforms has ignited an emerging line of research that has begun to examine crowdfunding failure (Fan-Osuala, 2021; Piening et al., 2021; Soublière & Gehman, 2020; Stevenson et al., 2022). The literature has conceptualized failure on rewards-based crowdfunding platforms as entrepreneurs not meeting their stated funding goals within a finite timeline (Stevenson et al., 2022). This

research has leveraged a variety of theoretical frameworks to examine prior crowdfunding failure. For instance, Soubliere and Gehman (2020) leverage legitimacy theory and demonstrate that the magnitude of failure of prior related ventures within a crowdfunding category influences legitimacy spillovers which prime funders to either support or not support related subsequent ventures. Piening and colleagues (2021) draw on problemistic search theory and show that severity (i.e., magnitude) and persistence (i.e., number of prior failures) of crowdfunding failure influence entrepreneurs' search distance, or the extent to which the focus of their subsequent pitch differs from that of their initial pitch. The authors further found that there was an ideal search distance, such that entrepreneurs' subsequent crowdfunding success benefited from projects that differed, but not by too much (i.e., moderate search distance), from their initial failed pitches. Finally, Stevenson and colleagues (2022) draw on social proof theory and the wisdom of the collective perspective to examine how receiving positive market validation influences entrepreneurs' long-term performance off the crowdfunding platform. In their field study of failed publishing campaigns on Kickstarter, the authors found that entrepreneurs who have a lower magnitude of failure receive more positive market validation which functions as a source of social proof and, in turn, positively influences their ventures' long-term performance off the platform (i.e., Amazon book sales). The authors also found that market validation is a relatively stronger predictor of long-term performance than expert validation (i.e., selected by Kickstarter staff as "projects we love"), supporting their arguments about the superior influence of the "collective wisdom" of the crowd compared to the wisdom offered by individuals.

While prior research has advanced our understanding, several important gaps in our understanding remain. First, prior research assumes that funders are aware of entrepreneurs' prior crowdfunding failures. However, prior research has failed to examine whether this is true and, if

so, how it impacts entrepreneurs' subsequent crowdfunding success (Stevenson et al., 2022). Examining this is important because expectations surrounding prior failure are ambiguous with some viewing failure as expected and a valuable learning opportunity (Soublière & Gehman, 2020; Stevenson et al., 2022), while others do not expect entrepreneurs to fail and have concerns about entrepreneurs' abilities when they do fail (Roccapriore et al., 2021).

Second, prior research has treated entrepreneurs as a unitary group which limits our understanding of why funders view entrepreneurs with a similar prior magnitude of failure more or less favorably. However, entrepreneurship has long been a context characterized by gender stereotypes (Gupta et al., 2008), and failure has been shown to activate gendered expectations surrounding entrepreneurs (Pistilli et al., 2023; Ucbasaran et al., 2013). For instance, Pistilli and colleagues (2023) found that women entrepreneurs relative to men entrepreneurs in the U.S., are less likely to attract venture capital (VC) funding if they have a previous venture failure. The authors argue this effect is due to VCs being influenced by gender biases which, in turn, leads them to attribute the previous failure of a man to bad luck or being unfortunate versus the previous failure of a woman unfortunately being attributed to incompetence or bad execution. Given rewards-based crowdfunding research has shown entrepreneur gender and the gender-typing of funding categories to be salient attributes impacting how funders evaluate entrepreneurs and, thus, how they make funding decisions (Johnson et al., 2018; McSweeney et al., 2022; Seigner et al., 2022; Wesemann & Wincent, 2021), these gender-related considerations represent a promising beachhead for understanding why funders view some failure as more of a burden.

To address these concerns, we leverage expectancy violations theory. Expectancy violations theory offers a coherent theoretical framework that does not treat failure as uniformly impacting

men and women entrepreneurs. Instead, the theory contends that when evaluating an ambiguous violation, observers consider *both* the magnitude of the violation as well as the valence they have towards the actor based on personal characteristics and the context of the violation.

Expectancy Violations Theory

Expectancy violations theory states that observers hold expectations regarding how an actor should behave in a given situation (Burgoon & Hale, 1988; Burgoon, 1993). The term expectancy refers to an "enduring pattern of behavior" (Burgoon, 1993:31) to which an actor is expected to conform. When actions taken are consistent with expectations, little new information is provided, and stakeholders are satisfied. However, if an actor violates expectancies, the result is more audience attention to both actor and action (Graffin et al., 2016).

Whether an expectancy violation is rewarded or penalized is contingent on the valence of the violation. Violation valence refers to an observer's interpretation of the unexpected behavior as positive or negative based on whether the unexpected behavior is judged as either desirable or undesirable in regards to societal norms surrounding the behavior (Chandler et al., 2024; Burgoon, 2015; Seigner et al., 2022). Observers reward expectancy violations evaluated as positive, while expectancy violations judged to be negative are penalized (Seigner et al., 2022). However, the valence of the violation may not be clearly positive or negative: some unexpected behavior may carry both positive and negative meanings, generating ambiguity in how observers interpret the violation (Burgoon, 2015). When violation valence is ambiguous, observers engage in a more comprehensive interpretation and evaluation that moves beyond the valence of the violation to consider the magnitude of the violation and the valence towards the actor.

The magnitude of a violation is an important factor that observers can use when interpreting and evaluating ambiguous violations. Expectancy violations theory contends that violations are not all or nothing. Instead, they are best viewed as a range of behavior, with some behaviors

increasingly crossing a threshold of expected behavior (i.e., violations) and others falling within acceptable ranges of expected behavior (Burgoon, 2015). The more a violation departs from expected behavior, the greater the magnitude of the violation (Burgoon, 2015).

Another important factor observers use when interpreting and evaluating violations with an ambiguous valence is actor valence. Actor valence refers to an observer's attitude towards the individual displaying the unexpected behavior (Burgoon, 1993; Seigner et al., 2022). Actor valence can range from more positive (i.e., positive attitude) to more negative (i.e., negative attitude). According to expectancy violations theory, actor valence is shaped by both actor and context-based characteristics (Burgoon & Hale, 1988; Burgoon, 1993). Actor characteristics refer to all salient features of individual actors, such as their demographic attributes, personality, physical appearance, public image, social network, and their qualitative lived experiences. Based on these salient features, observers have inherent expectations regarding actors' behaviors (Burgoon, 1993). But actors operate within contexts, and context characteristics also shape observers' expectations regarding actor behaviors. Context characteristics refer to environmental constraints and to situational factors, including the nature of a task situation or aspects of the work and the expected behaviors for conducting the task/work (Burgoon, 1993). Overall, when observers have a more positive valence towards an actor, ambiguous violations will be interpreted and evaluated more positively (Burgoon, 2015).

In a rewards-based crowdfunding context, scholars have increasingly leveraged expectancy violations theory to understand how entrepreneurs' expectancy violations influence funders' funding decisions. For example, Parhankangas and Renko (2017) found that entrepreneurs seeking crowdfunding to launch a social enterprise benefit more from a comprehensible communication style because expectations of the emergent category of social entrepreneurship

are ambiguous compared to commercial entrepreneurship. More recently, Seigner and colleagues (2022) draw on expectancy violations theory to examine how entrepreneur sex and gender-typing of the funding category, which shapes actor valence, influences funders' evaluations of innovation claims (i.e., an ambiguous violation) used by entrepreneurs in their crowdfunding pitches. These authors found that women benefit more from making innovation claims, especially in male-typed funding categories where the sex of a woman is made more salient, because women are perceived more positively in a rewards-based crowdfunding context. This positive actor valence leads funders to evaluate women's innovation claims positively, thereby enhancing their ability to secure crowdfunding. Similarly, Chandler et al. (2024) found that entrepreneurs' expressions of their political ideologies (i.e., conservatism or liberalism) within their crowdfunding pitches is negatively associated with funding success because these constitute a negative violation of funders' expectations for apolitical pitches on crowdfunding platforms. However, the authors show that these main effects are weakened as entrepreneur credibility (i.e., actor valence) increases, such that more credible entrepreneurs are penalized less for their political expressions. Overall, this prior research has demonstrated that expectancy violations theory is a useful lens for examining how funders' expectations for *specific* entrepreneurs' behaviors in *specific* contexts shapes their future evaluations of the entrepreneurs.

Below, we leverage expectancy violations theory to theorize how the magnitude of the prior crowdfunding failure, the entrepreneurs' gender, and the perceived congruency between the entrepreneurs' gender and the gender norms in the failed funding category shapes funders' evaluations of entrepreneurs and, in turn, the entrepreneurs' subsequent crowdfunding success.

Hypotheses Development

Magnitude of Failure and Subsequent Crowdfunding Success

Despite growing scholarly recognition that failure is the likely outcome in rewards-based crowdfunding, we still know relatively little about how funders interpret and evaluate prior crowdfunding failure. Part of the problem is that prior crowdfunding failure is considered a violation with ambiguous valence. The ambiguous valence around prior crowdfunding failure reflects the fact that prior failure carries both positive and negative meanings for crowdfunding backers (Seigner et al., 2022). On the one hand, prior failure is viewed as an expected part of the entrepreneurial process which can offer valuable learning opportunities and suggests entrepreneurs may be successful moving forward (Soublière & Gehman, 2020; Stevenson et al., 2022). On the other hand, prior failure can raise concerns for funders about entrepreneurs' abilities and whether moving forward they can be successful (Roccapriore et al., 2021). Thus, prior failure can suggest entrepreneurs possess either positive or negative entrepreneurial qualities, meaning funders need to seek out further information to resolve the ambiguity.

In a rewards-based crowdfunding context, funders have limited means for resolving the ambiguity surrounding a prior crowdfunding failure. Due to the minimal disclosure requirements which create high information asymmetries (Courtney et al., 2017), funders cannot conduct the same due diligence that more traditional investors (e.g., VCs) can on entrepreneurs' prior ventures (Allison et al., 2017). Moreover, funders tend to be non-professional investors who lack training and experience in vetting ventures (Allison et al., 2015; Bapna, 2019). This often leads funders to rely on the limited information contained within an entrepreneur's pitch and platform profile (i.e., all on the project webpage) to evaluate whether the entrepreneur's proposed venture will achieve success (Parhankangas & Renko 2017; Seigner et al., 2022). Importantly, that limited information *includes* whether an entrepreneur experienced a prior failure and the

magnitude of that failure (i.e., the difference between their prior funding goal [e.g., $10,000] and the amount of funds pledged [e.g., $1,000]). Thus, because crowdfunding occurs on online platforms, public visibility of crowdfunding projects is enhanced and, in turn, makes whether an entrepreneur experienced a prior failure and the magnitude of that failure observable to prospective funders evaluating an entrepreneur's subsequent projects.

Expectancy violations theory argues that the magnitude of a violation is a salient factor used to interpret and evaluate ambiguous violations (Burgoon, 2015). Violations are a range of behavior with some falling within acceptable ranges of expected behavior (Burgoon, 2015) and others increasingly violating those expectations. The more a violation departs from expected behavior, the greater the magnitude of the violation (Burgoon, 2015). Thus, magnitude of failure is a potentially salient factor that funders can use to help resolve the ambiguity surrounding entrepreneurs' prior failures.

Prior rewards-based crowdfunding research has begun to examine the effect of the magnitude of failure. For example, Soublière and Gehman (2020) examine how variance in the magnitude of failure of previous crowdfunding projects spills over to impact subsequent related crowdfunding projects pitched by other entrepreneurs in similar project categories. They find that path-breaking failures (failed campaigns that raised more than 20 percent of their funding goal but ultimately fell short) encourage funders to support similar subsequent projects by other entrepreneurs, whereas broken-path failures (failed campaigns that raised less than 20 percent of their funding goal) have the opposite effect. Path-breaking failures have a positive spillover effect because, even though they failed, the entrepreneurs were not an utter failure. Thus, funders perceive value in what the entrepreneurs were proposing, helping to draw interest to subsequent related endeavors (Soublière & Gehman, 2020). Similarly, Piening and colleagues (2021)

examine how the magnitude of crowdfunding failure (i.e., severity) influences the distance of focal entrepreneurs' own search for solutions. As the magnitude of failure increases, entrepreneurs make more changes in their own subsequent projects but improve their likelihood of subsequent crowdfunding success when undertaking moderate levels of change. Separately, Stevenson and colleagues (2022) found that entrepreneurs with a lower magnitude of failure receive more positive market validation which functions as a source of social proof and, in turn, positively influences their ventures long term performance off the platform (i.e., Amazon book sales). Taken together, prior work suggests that magnitude of failure, rather than simply if entrepreneurs failed or not, is important to understanding crowdfunding outcomes.

Connecting the above lines of reasoning suggests that as the magnitude of prior failure increases, the prior failure will be more likely to be interpreted and evaluated negatively by funders. As the magnitude of failure increases, entrepreneurs receive less positive market validation which could function as a source of social proof, suggesting that the failure is more likely due to entrepreneurs lacking the abilities to be successful rather than external factors (Zunino et al., 2022). This is important because research shows that funders' interpretation and evaluation of crowdfunding projects is strongly shaped by the "collective wisdom" of the crowd (Stevenson et al., 2022). As a result, the public visibility of the lack of positive market validation will cause other funders to follow the "collective wisdom" of the crowd who view the entrepreneur as lacking the abilities to be successful, thereby decreasing their likelihood of supporting the entrepreneur's subsequent crowdfunding project. Accordingly, we expect that as the magnitude of failure increases, failure can be a burden for entrepreneurs going forward, decreasing their likelihood of subsequent crowdfunding success. Therefore, we hypothesize:

> **Baseline Hypothesis:** *Magnitude of prior crowdfunding failure is negatively associated with subsequent crowdfunding success.*

Building on this baseline argument, we theorize how entrepreneur gender and gender congruency within the failed funding category moderate the relationship between the magnitude of prior crowdfunding failure and subsequent crowdfunding success. The moderators are theorized to alter funders' subsequent evaluations and, thus, help to explain how entrepreneurs' prior failure impacts their own subsequent crowdfunding success.

Moderating Role of Entrepreneur Gender

While the magnitude of failure offers funders one means to address the ambiguity surrounding an entrepreneur's prior crowdfunding failure, there may be multiple entrepreneurs who have a similar prior magnitude of failure. In this situation, there may be other factors that lead funders to evaluate an entrepreneur's prior failure more or less favorably. Expectancy violations theory suggests that actor valence is a salient factor that can shape funders' evaluations of an entrepreneur's prior failure (Burgoon, 2015). While actor valence is multifaceted and influenced by numerous variables, such as one's personality, physical appearance, and social network, prior rewards-based crowdfunding research suggests that entrepreneur gender may be a particularly salient demographic attribute (Seigner et al., 2022). Entrepreneur gender is highly observable on crowdfunding platforms because platforms strongly encourage entrepreneurs to upload their own picture and description when creating their platform profile which is featured on each project they launch (Kickstarter, 2024). Furthermore, failure has also been shown to activate gendered expectations surrounding entrepreneurs (Pistilli et al., 2023; Ucbasaran et al., 2013). Thus, entrepreneur gender is likely an important factor shaping funders' evaluations of an entrepreneur's prior failure.

A long line of entrepreneurial funding research has established gender as a key demographic attribute defining entrepreneurs, how they are evaluated, and how they are treated in funding-

related interactions (Gupta et al., 2009; Johnson et al., 2018; Kanze et al., 2018). Traditionally, entrepreneurship has been associated with masculine qualities causing men to be more associated with the entrepreneurial role than are women (Gupta et al., 2009; Kanze et al., 2018). Research has shown women face challenges in traditional entrepreneurial funding contexts (e.g., VC or angel) because of the perception they are not expected to be entrepreneurs (Kanze et al., 2018).

Although women have been disadvantaged in traditional entrepreneurial funding contexts, rewards-based crowdfunding has provided a more democratic alternative enabling women to be more successful (Geiger, 2020; Johnson et al., 2018; Wesemann & Wincent, 2021). In fact, research shows women can even be more successful than men in acquiring crowdfunding (Geiger, 2020; Wesemann & Wincent, 2021). Scholars believe opening the funding process to a crowd of non-professional funders along with the existence of a community logic on crowdfunding platforms have created a context that values specific qualities associated with women's gender roles (e.g., collaborative, trustworthiness; Johnson et al., 2018; Murray et al., 2020; Seigner et al., 2022). As a result, scholars have argued that funders have a preference for women-led ventures in rewards-based crowdfunding (Johnson et al., 2018).

Connecting these lines of reasoning suggests that because funders have a more positive valence towards women than men in a rewards-based crowdfunding context, the negative effect of magnitude of failure on subsequent crowdfunding success will be attenuated more for women than men entrepreneurs. To elaborate, our earlier theorizing suggested that as the magnitude of failure increases, entrepreneurs receive less positive market validation which functions as a source of social proof, suggesting that the failure is more likely due to entrepreneurs lacking the abilities to be successful rather than external factors. However, research has also demonstrated that funders have a preference for women-led ventures in rewards-based crowdfunding because

they trust more in women's abilities to successfully deliver on campaign promises relative to men (Johnson et al., 2018). In addition, research has shown that more credible entrepreneurs are punished less by funders for other forms of negative violation (i.e., expressions of political ideology) (Chandler et al., 2024). Building on this research, we argue that funders have a more positive valence towards women than men entrepreneurs in rewards-based crowdfunding because women are viewed as more credible and trustworthy in delivering the pitched rewards. As a result, this will reduce the extent to which the magnitude of failure leads to negative evaluations from funders for women entrepreneurs relative to men entrepreneurs. Thus, we hypothesize:

> **Hypothesis 1:** *Entrepreneur gender moderates the relationship between magnitude of failure and subsequent crowdfunding success, such that the relationship will be attenuated more for women entrepreneurs than men entrepreneurs*.

Moderating Role of Failed Project Category Gender Congruency

The gender typing of funding categories on crowdfunding platforms captures whether a funding category is associated more with men or women. In rewards-based crowdfunding, entrepreneurs seek funding within specific funding categories reflective of more traditional industries – with many categories perceived as men-dominated, such as technology and gaming, and others perceived as women-dominated, such as fashion or food (Gafni et al., 2021; Greenberg & Mollick, 2017; McSweeney et al., 2022; Wesemann & Wincent, 2021). The gender typing of a funding category then influences whether an entrepreneur is congruent or incongruent with the gender norms and expectations of their context (McSweeney et al., 2022; Seigner et al., 2022).

Recent research shows the gender typing of funding categories serves as an important contextual cue impacting how funders evaluate entrepreneurs' violations when making funding decisions (McSweeney et al., 2022; Oo et al., 2022; Seigner et al., 2022; Wesemann & Wincent, 2021). These studies have largely found that entrepreneurs who violate funders' expectations by

displaying gender-atypical behaviors are more likely to be rewarded by funders when the violation occurs in a gender-incongruent versus gender-congruent funding category. To elaborate, entrepreneurs' display of gender-atypical behavior in gender-incongruent funding categories aligns with the behaviors expected from the gender-typical entrepreneur in the context, leading funders to positively evaluate the entrepreneurs' behavior. Contrastingly, entrepreneurs who display gender-atypical behavior in gender-congruent funding categories misalign with the expectations of the gender-typical entrepreneur in the context, leading funders to negatively evaluate the entrepreneurs' behavior. For example, Seigner and colleagues (2022) found that women benefit more from making innovation claims in male-typed funding categories because such claims enhance actor valence for women entrepreneurs, garnering more favorable ability judgments for women entrepreneurs.

Building from this research, we argue the gender-typing of funding categories will be an important contextual cue impacting how funders evaluate entrepreneurs' magnitude of failure when making funding decisions about their subsequent crowdfunding projects. We have argued that ambiguity exists around entrepreneurs' prior failure and that the magnitude of the prior failure offers an initial means by which funders can reduce the ambiguity. However, there may be multiple entrepreneurs who have a similar prior magnitude of failure. Funders will then rely on other factors to evaluate an entrepreneur's prior failure. Expectancy violations theory suggests that actor valence is a salient factor that can shape funders' evaluations of an entrepreneurs' s prior failure (Burgoon, 2015). Prior research has shown the gender typing of funding categories to be an important factor shaping funders' valence towards entrepreneurs and their behaviors (Seigner et al., 2022). More specifically, the gender-typing of funding categories provides insight to funders whether entrepreneurs' prior failure was in a gender-congruent funding category,

where they are expected to be successful, or in a gender-incongruent funding category, where they are not expected to be successful. The valence funders have towards entrepreneurs and their prior failure will depend on whether they failed in a gender-congruent versus -incongruent funding category.

For entrepreneurs that failed in a gender-incongruent funding category, whether men or women, we argue that the negative effect of magnitude of failure on subsequent crowdfunding success will be attenuated. When evaluating the magnitude of the entrepreneurs' prior failure, funders will consider the gender norms of the funding category in which they failed to see if that was a factor in the failure. Entrepreneurs in gender-incongruent funding categories deal with gender norms that portray them as not fitting expectations of the prototypical entrepreneur (McSweeney et al., 2022; Seigner et al., 2022). Expectancy violations theory research shows context cues help observers determine whether some evaluations are more reasonable than others (Burgoon, 1993). As a result, funders might conclude that the magnitude of entrepreneurs' prior failure may have been at least partially caused by gender norms in gender-incongruent funding categories. This conclusion will help to attenuate some of the uncertainty funders have surrounding entrepreneurs' abilities to be successful in their subsequent crowdfunding project. Thus, funders will have a more positive valence towards entrepreneurs who failed in gender-incongruent funding categories.

Contrastingly, we argue that a prior failure in a gender-congruent funding category will amplify the negative effect of magnitude of failure on subsequent crowdfunding success for the following reason. Entrepreneurs in gender-congruent funding categories, both men and women, deal with gender norms that portray them as fitting expectations of the prototypical entrepreneur (McSweeney et al., 2022; Seigner et al., 2022). Based on this, when evaluating the magnitude of

entrepreneurs' prior failure, funders might discern then that gender norms in a gender-congruent funding category would likely have had less impact on their prior failure. This evaluation will increase the uncertainty funders have about entrepreneurs' abilities to be successful in their subsequent crowdfunding project. Thus, funders will have a less positive valence towards entrepreneurs who failed in gender-congruent funding categories. Therefore, we hypothesize:

> **Hypothesis 2:** *Gender congruency between entrepreneurs and the project category in which entrepreneurs previously failed moderates the relationship between the magnitude of failure and subsequent crowdfunding success, such that the relationship is attenuated more when prior failure occurred in gender-incongruent than in gender-congruent categories*.

Methods

Analytical Strategy

We test our theoretical arguments using a mixed-methods approach with three complementary studies (Grégoire et al., 2019; Stevenson et al., 2022). Our first study is a survey of 309 participants on the Prolific platform in which we examine whether funders are cognizant of entrepreneurs' prior crowdfunding failures and the extent to which prior failures influence funders when evaluating whether to provide funding to entrepreneurs' subsequent projects. In our second study, we investigate our hypotheses using a field study of 1000 individual entrepreneurs in the United States (690 men and 310 women) who experienced a crowdfunding failure the first time they were seeking crowdfunding and then subsequently sought crowdfunding a second time on Kickstarter between 2017 and 2024. Our third study is a decision experiment with 210 participants on MTurk to explore our Kickstarter field study findings. We manipulate prior failure, entrepreneur gender, and gender congruency within the failed project category to investigate effects on funders' funding intentions and the amount of funding they would provide to an entrepreneur's subsequent project. Together, our multi-study approach robustly balances external and internal validity (Johnson et al., 2018; Stevenson & Josefy, 2019).

Study 1: Survey on Prolific

Sample

A central assumption underlying our theorizing is that funders are aware of and influenced by entrepreneurs' prior failures when evaluating whether to provide funding to entrepreneurs' subsequent projects. However, we cannot directly observe whether funders are aware of and influenced by entrepreneurs' prior crowdfunding failures when evaluating entrepreneurs' subsequent projects. Therefore, in line with the approach of prior scholars investigating how funders evaluate projects (Chan et al., 2020), we tested this assumption using a survey.

We utilize the Prolific platform to recruit participants for our survey. The Prolific platform is a frequently used, reliable source for studying funders (e.g., Chandler et al., 2024; Kleinert, 2024). Furthermore, Prolific allowed for us to pre-screen participants to ensure that they were familiar with crowdfunding and had previously backed a crowdfunding project. Additionally, to align with the Study 2 context, we sought only U.S. participants. We paid $4 to each participant who completed the survey. In line with the approach of prior scholars (Chandler et al., 2024), we used a CAPTCHA to prevent bots from responding to our survey. Afterwards, each participant was presented with the instructions and an instruction check. Participants were then asked a series of background and demographic questions. The participants then received an attention check. Following this, participants were asked a series of questions regarding their process of evaluating crowdfunding project pages and prior funding experiences. All these questions can be found in Appendix A. Data was collected from 400 participants; 91 either did not pass the attention checks or provided incomplete data resulting in a final sample size of 309. Participants' median response time was 15.21 minutes; 49% were women, median age was 38, modal education was Bachelor's. Participants had backed an average of 4 crowdfunding projects.

Addressing Potential for Social Desirability Bias

Conducting a thorough evaluation of an entrepreneur before making funding decisions might be seen to have demand characteristics such that participants might be more likely to assert that they engaged in such an evaluation due to social desirability (SD) bias. To address this potential confound, in light of recent recommendations from scholars (Lanz et al., 2022) that indicated that prominent SD scales (e.g., Marlowe Crowne, Self-Deception Questionnaire) do not measure what they are supposed to, namely overly positive self-presentation, and that scholars should refrain from using them, we followed current best-practice recommendations to reduce the potential for social desirability effects in constructing our survey. Specifically, our protocols emphasized the confidentiality and anonymity of responses, explicitly warned participants that they would be removed for dishonest responses, obfuscated the research focus of our study (aside from IRB disclosures), and avoided using both positive- and negative-worded questions (Lanz et al., 2022; Larson, 2019; Li et al., 2024). Furthermore, in addition to our safeguards, the literature notes that social desirability bias is generally most pernicious in responses to socially-sensitive questions examples of which include alcohol and tobacco use [Davis et al., 2010]) and domestic violence admissions [Henning et al., 2005]). Taken together, we believe that our safeguards and the lack of socially-sensitive questions in our survey, make participants in our survey less prone to social desirability bias.

Results

There are several important findings from the survey. First, 253 participants (82%) said that they know where to obtain information about entrepreneurs' prior performance on the crowdfunding platform. Second, 211 participants (68%) indicated that they view entrepreneurs' profiles and utilize them when evaluating whether to provide funding to entrepreneurs' subsequent projects. Third, we asked participants to rank order (i.e., from 1st to 7th, most to least important) the

following elements (i.e., Story/Pitch, Entrepreneur Profile, Projects Created, Video, Risks/Challenges, Rewards, Projects Backed) found on an entrepreneur's crowdfunding webpage in terms of the relative importance when evaluating whether to provide funding to an entrepreneur's project. The results of this question were as follows with the average rank in parentheses: 1=Story/Pitch (2.50), 2=Entrepreneur Profile (2.81), 3=Projects Created (3.57), 4=Video (3.86), 5=Risks/challenges (4.35), 6=Rewards (5.34), 7=Projects backed (5.54). Hence, funders' indicated that an entrepreneur's profile and specifically the prior projects created by that entrepreneur, were 2 out of the 3 top criteria utilized when evaluating whether to provide funding to an entrepreneur's project. Fourth, we asked them two temporal questions: 1) How much time (in minutes) do you take evaluating a crowdfunding project page on average? 2) How much time (in minutes) do you spend evaluating an entrepreneur's performance on prior crowdfunding projects? Results show that on average funders spend 20 minutes evaluating a crowdfunding project page, of which 7 minutes is spent on evaluating an entrepreneur's performance on prior projects. Fifth, only 50 (16%) participants indicated that they had backed an entrepreneur after backing them in their prior project that failed to secure funding.

The survey results demonstrate that funders are aware of, actively investigate, and are influenced by entrepreneurs' prior failures when evaluating whether to provide funding to entrepreneurs' subsequent projects. Further, the results suggest that while there might be some of the same funders from the prior failed project, the majority will be new funders that examine an entrepreneur's prior failure when evaluating whether to provide funding to the entrepreneur's subsequent project. We now examine our hypotheses in a field study.

Study 2: Field Study on Kickstarter

Sample

Our sample comprises individual men and women entrepreneurs in the U.S. who experienced a crowdfunding failure the first time they were seeking crowdfunding and then subsequently sought crowdfunding a second time on Kickstarter between 2017 and 2024. We focus on individual entrepreneurs to isolate the effect of a first-time crowdfunding failure and of entrepreneur gender. We use the Kickstarter platform for several reasons. First, Kickstarter is one of the oldest and most prominent crowdfunding platforms (Mollick, 2014; Soublière & Gehman, 2020). Since its inception, more than 268,000 entrepreneurs have raised over $8.4 billion on Kickstarter (Kickstarter, 2024). Second, in excess of 60% Kickstarter campaigns fail to secure funding, and the "all or nothing" funding structure on Kickstarter allows us to easily observe crowdfunding failure (Stevenson et al., 2022). Third, the amount of funding that failed projects received is readily observable and measurable on Kickstarter, which allows us to construct our magnitude of failure independent variable. Fourth, all of our moderating variables are easily observable and measurable on Kickstarter. In particular, Kickstarter is comprised of specific project categories (i.e., art, tech, food and crafts, etc.) that prior research has established as being perceived as either male or female dominated (Gafni et al., 2021; McSweeney et al., 2022; Seigner et al., 2022), which allows us to examine our second moderating variable.

We took multiple steps to construct our final sample. First, we collected the population of all U.S. Kickstarter projects from 2016 to 2021 (112,346 projects). Second, we limited the sample to individual entrepreneurs to avoid confounding our analysis (68,334 projects). Third, in line with prior work, we restricted the sample based on funding goal to avoid including projects with extremely low funding goals (i.e., below $1000) which might be viewed as more frivolous efforts to acquire funding, and projects with extremely high funding goals (i.e., above $1 million)

as they are typically outliers (Jiang et al., 2019; McSweeney et al., 2022; Mollick, 2014) (56,139 projects). Fourth, given our focus on prior failure, we restricted the sample to only failed projects (22,994 projects). Fifth, in line with research focusing on the influence of women- vs. men-dominated project categories (Gafni et al., 2021; McSweeney et al., 2022), we excluded three categories (*Art, Crafts,* and *Journalism*) that did not meet the 55% gender cutoff for being either women- or men-dominated. These steps resulted in an initial population of 19,959 projects.

Following the approach of prior scholars (Anglin et al., 2022; Calic & Mosakowski, 2016), we targeted a final sample size of 1,000 balancing consistency with past work against the need to manually code key variables (e.g., initial failure, entrepreneur gender). We randomized our initial population of 19,959, and the first two authors manually coded projects until we identified 1,000. To do so, the first two authors independently visited each entrepreneur's webpage on Kickstarter to examine the entrepreneur's picture and profile on the project page to identify whether it was the entrepreneur's first crowdfunding failure and the gender of the entrepreneur. If it was the entrepreneur's first failure, we only included the project if the entrepreneur launched a subsequent project. Furthermore, if we could not collectively verify entrepreneur gender, the project was not included in our sample. Overall, we achieved an inter-rater reliability of 0.92, which is well above cutoffs (i.e., 0.75) for an excellent level of agreement (Hallgren, 2012). This process results in a final sample of 1,000 individual men and women entrepreneurs (310 women and 690 men) who experienced a crowdfunding failure the first time they were seeking crowdfunding and then subsequently sought crowdfunding a second time. Our final sample includes funding goals that ranged from $1,000 to $975,000 (mean = $20,945).

Dependent Variable

Our dependent variable is *subsequent crowdfunding success*. In line with prior crowdfunding research, we operationalized *subsequent crowdfunding success* as a binary variable indicating

whether entrepreneurs achieved their funding goals (1) or not (0). Such a binary dependent variable (DV) also offers an objective measure generalizable across different entrepreneurial contexts (e.g., angels, VCs) (Anglin et al., 2018; Davis et al., 2017). In our sample, 343 (34.23%) entrepreneurs achieved subsequent crowdfunding success.

Independent Variable

We utilize *magnitude of failure* as our focal independent variable. We follow the approach of previous scholars to operationalize magnitude of failure (Piening et al., 2021; Stevenson et al., 2022). To do so, we first account for differences in the stated funding goals of and funds raised by entrepreneurs, dividing the total dollar amount pledged by the stated funding goal in dollars (i.e., percent funded) (Scheaf et al., 2018). Then, to calculate the magnitude of failure, we reverse-coded percent funded (Stevenson et al., 2022). Because the reverse-coded percent funded variable had zero as the maximum value, we added 1 to all reverse-coded values so that higher values would reflect a higher magnitude of failure, allowing for intuitive interpretation of the results (George et al., 2016; Kang & Kim, 2020; Yi et al., 2020). Our final magnitude of failure variable ranged from 0.07 (i.e., close call) to 1.0 (i.e., complete failure).

Moderator Variables

Our study examines two moderating variables: entrepreneur gender and gender congruency in the project category. First, we operationalize *entrepreneur gender* by visiting each project page and coding the gender of the entrepreneur depending on the perceived identity of the entrepreneur. In line with prior research (Younkin & Kuppuswamy, 2018), we focus on the perceived identity of entrepreneurs rather than self-identification, as perceived identity allows us to examine the influence of being seen as a man versus woman by prospective funders. Specifically, two authors independently viewed each project page and examined the entrepreneurs' pictures and profiles. Entrepreneur *gender* was coded with a dummy variable

coded ‘1’ for woman and ‘0’ for man (Anglin et al., 2022; Davis et al., 2017). Again, if we could not collectively verify entrepreneur gender, the project was not included in our sample.

The next moderator variable, *gender-incongruent project category*, captures whether entrepreneurs failed to secure funding in a gender-congruent or -incongruent project category. To operationalize this variable, we followed the approach of previous scholars (Gafni et al., 2021; McSweeney et al., 2022), in which a project category is classified as either women- or men-dominated if 55% or more of the projects were led by female or male entrepreneurs, respectively. Women-dominated project categories include *Dance*, *Fashion*, and *Food*; men-dominated project categories include *Comics*, *Design*, *Film and Video*, *Games*, *Music*, *Photography*, *Publishing*, *Technology*, and *Theater.* We coded gender-incongruent project category with a dummy variable that has a value of ‘1’ for gender-incongruent project categories (i.e., women in a men-dominated category or men in a women-dominated category) and ‘0’ for gender-congruent project category (i.e., women in a women-dominated category or men in a men-dominated category).

Control Variables

We controlled for several project and category characteristics associated with crowdfunding success for both the failed and subsequent project. First, to control for differences in entrepreneurial effort devoted to a project, we control for the *pitch length* (word count) and the *duration* of the project in days (Chan et al., 2020; Stevenson et al., 2022). We noticed our pitch length variables were skewed, so we utilize the natural log of both of these variables. Second, to account for differences in project quality, we control for whether there was a *video* on the project page (Allison et al., 2017; Davis et al., 2017; Parhankangas & Renko, 2017; Seigner et al., 2022). Third, to account for differences in whether Kickstarter highlighted an entrepreneur’s project, we control for whether a project was a featured staff pick on Kickstarter (i.e., staff indicates it is a ‘project we love’). A *staff pick* variable was coded ‘1’ while other projects were coded ‘0’

(Anglin et al., 2018; Seigner et al., 2022). Fourth, we control for the *failed number of backers* for the initial failed crowdfunding project. *Failed number of backers* reflects the total number of individuals that supported the initial failed project campaign (Anglin et al., 2022; Taeuscher et al., 2021) which can convey the extent of positive market validation which functions as a source of social proof (Stevenson et al., 2022). We identified the variable as skewed, so we utilize the natural log of this variable.

We also control for several characteristics specific to the entrepreneur and subsequent projects. First, we control for *entrepreneur race.* Previous research has shown race to influence crowdfunding (Younkin & Kuppuswamy, 2018, 2019). We followed the same process we took to code entrepreneur gender, detailed above, to code entrepreneur race. If we could not collectively verify entrepreneur race, the project was not included in our sample. We operationalize entrepreneur race with a dummy variable coded '1' for entrepreneurs that did not appear white (i.e., minority) and '0' for entrepreneurs that appeared white. Second, we control for the *number of projects backed* by the pitching entrepreneur to control for potential reciprocity (Scheaf et al., 2018). This variable was skewed, so we utilize the natural log of this variable. Next, we control for the *funding goal* of the subsequent project and whether the entrepreneur had a *decreased funding goal* from the initial project, which was coded using a dummy variable (1 = decreased funding goal; 0 = did not decrease funding goal). The funding goal variable was skewed, so we use the natural log of this variable. Fourth, to control for differences in effort devoted to a project, we control for the number of *updates* on a project page (Chan et al., 2020; Stevenson et al., 2022). This variable was skewed, so we use the natural log. Fifth, we control for the number of *comments* left on a project page to account for differences in social capital (Buttice et al.,

2017; Stevenson et al., 2022). Sixth, to account for differences in project quality, we control for the number of *pictures* on the project page (Allison et al., 2017; Davis et al., 2017).

Next, we controlled for *subsequent project category* and the *year* when the project was launched, using dummy variables in all models (Chan et al., 2020; Seigner et al., 2022). Further, in line with prior research (Piening et al., 2021), we include two controls to account for the time between projects and extent of adjustments to the pitch from the initial to the subsequent project. Our first control, *time between pitches,* is the number of days between when the initial failed project ended and when the subsequent project was launched on Kickstarter. This variable was skewed, so we utilize the square root of this variable; we selected this transformation because we the *extrans* command (STATA 18) indicated that this was the most appropriate. Our second control, *pitch adjustment,* captures the absolute difference in pitch length, based on word count, between the initial and subsequent project.

Analysis

Given our dependent variable *subsequent crowdfunding success* is dichotomous, we use logistic regression in STATA 18 to test our hypotheses (Anglin et al., 2018). We specify robust standard errors for all our models to address any potential issues of heteroscedasticity (Wooldridge, 2010). We mean centered all predictor variables, other than those that were dummy coded, before entering them into our interaction effects models (Aiken & West, 1991). Given we use logistic regression, the coefficient value itself is not very informative beyond demonstrating the nature of the interaction (e.g., positive). Therefore, in line with other recent studies, we also report the average marginal effects (a.m.e.) (i.e., change in probability of the predicted outcome due to a one-unit change in the independent variable) and their significance to assess our hypothesized effects (e.g., Chandler et al., 2024; Renko et al., 2022; Wiersema & Bowen, 2009).

Results

Table 1 presents descriptive statistics for all variables in our models. All correlations are in line with our expectations. After estimating ordinary least squares models (OLS) and calculating variance inflation factors (VIFs), no VIF exceeds 2.12, suggesting that multicollinearity is not likely an issue.

Table 2 reports the logistic regression analyses results. Models 1 and 3 are the controls models. Model 2 includes the test for the Baseline Hypothesis by introducing the term *magnitude of failure*. As reported in Model 2, *magnitude of failure* is negative and significant (β = -1.568, p-value = 0.007; a.m.e. = -0.235, p-value = 0.006). Hence, consistent with our theorizing and prior research, we find support for our prediction that the magnitude of an entrepreneur's prior crowdfunding failure has a significant negative effect on subsequent crowdfunding success.

Tables 1 & 2 here

Models 4 and 5 in Table 2 contain the results of our moderating effects hypothesized in Hypotheses 1 and 2, respectively. Examining Model 4, we can see that the interaction term between *magnitude of failure* and *entrepreneur gender* (H1) is positive as expected and statistically significant (β = 3.864, p-value < 0.001; a.m.e. = 0.467, p-value < 0.001), lending support for Hypothesis 1. Similarly, looking at Model 5 (H2), we can see that the interaction term between *magnitude of failure* and *gender incongruent project category* is positive as expected and statistically significant (β = 2.693, p-value = 0.009; a.m.e. = 0.396, p-value = 0.008), providing support for Hypothesis 2.

We further evaluated these results by plotting interactions (Murphy & Aguinis, 2022), which can be seen in Figures 1 and 2, respectively. Given we are interested in how the effect of the Baseline Hypothesis is altered based on entrepreneur gender (H1) and gender congruency within

funding category (H2), we focus on how curves representing predictive margins with 95% confidence intervals differ based on the magnitude of entrepreneurs' prior crowdfunding failure (Busenbark et al., 2022). In Figure 1, for ease of interpretation we present two lines reflecting women (1) and men (0) entrepreneurs. To illustrate the practical significance of H1, we examine the marginal effects at lower (-1SD) and higher (+1SD) magnitudes of failure. At (-1SD), which is roughly equivalent to an entrepreneur raising 40% of their funding goal, women entrepreneurs' probability of securing subsequent crowdfunding is roughly 25% higher than men entrepreneurs. And at (+1SD), which is roughly equivalent to a complete failure with no funds raised, women entrepreneurs' probability of securing subsequent crowdfunding is roughly 41% higher than men entrepreneurs. In other words, as the magnitude of failure increases from (-1SD) to (+1SD), women entrepreneurs' probability of securing subsequent crowdfunding relative to men entrepreneurs, increases by roughly 64% ([41-25]/25). Thus, we find support for Hypothesis 1.

Similarly, to illustrate the practical significance for H2, we examine the marginal effects at lower (-1SD) and higher (+1SD) magnitudes of failure. At (-1SD), a failure with 40% of the desired funding goal raised, entrepreneurs' probability of securing subsequent crowdfunding is roughly 10% lower when they failed in a gender-incongruent project category versus a gender-congruent project category. However, at (+1 SD), a complete failure with no funds raised, entrepreneurs' probability of securing subsequent crowdfunding is roughly 5% higher when they failed in a gender-incongruent project category versus a gender-congruent project category. Stated differently, as the magnitude of failure increases from (-1SD) to (+1SD), for entrepreneurs that failed in a gender-incongruent project category, the probability of securing subsequent crowdfunding relative to entrepreneurs that failed in a gender-congruent project category, increases by roughly 150% ([5-|-10|]/|-10|). Hence, we find support for Hypothesis 2.

Figures 1 & 2 here

Finally, Model 6 in Table 2 is the full model. We find that all our results from Models 2, 4, and 5 hold, illustrating the robustness of our results. Nevertheless, we conducted a series of additional analyses to further increase confidence in our main results.

Robustness Checks

We conducted additional analyses with an alternative dependent variable to test the robustness of our findings. Specifically, to rule out the sensitivity of our results to our dichotomous subsequent crowdfunding success dependent variable, we conducted additional regression analyses with a continuous dependent variable: *funds raised* (Anglin et al., 2018; Chandler et al., 2024; Taeuscher et al., 2021). *Funds raised* refers to the total dollars that were raised at the end of the subsequent crowdfunding project. The variable was skewed, so we utilize the natural log of this variable in our analyses (Taeuscher et al., 2021). We used ordinary least squares (OLS) regression in STATA 18 with robust standard errors, given the dependent variable was continuous. We include all the same controls that we utilized in our main logit analyses. All additional analyses can be found in Table B1 in Appendix B. We again find broad support for our hypotheses, further increasing confidence in our main results and theorization.

Study 3: Decision Experiment

Sample

To further confirm the Study 2 findings and increase the generalizability of our results, we conducted a decision experiment on the MTurk platform. MTurk has been increasingly used in entrepreneurship and management research (e.g., Aguinis et al., 2021; Allison et al., 2017, 2022; Chan et al., 2020; Oo et al., 2019). Previous research has established that the internal and external validity of experiments using participants from MTurk is in line with those using traditional participant pools (Berinsky et al., 2012; Buhrmester et al., 2018). Moreover, because

MTurk participants are often familiar with crowdfunding platforms and are not likely to be professional investors, participants from MTurk are particularly appropriate for research focused on crowdfunding (Allison et al., 2022; Stevenson et al., 2019).

We recruited a sample of 250 participants from the MTurk platform. Each participant was paid $4 for taking part in the experiment, which took the average participant 18.25 minutes to complete. This rate of compensation is in line with recent best practice recommendations for using MTurk (Aguinis et al., 2021). We screened participants to identify if they were over 18, familiar with crowdfunding platforms, and located within the United States. We restricted participation to only those within the United States to align with our Study 2 data (Allison et al., 2017). As a result of this screening process, 15 participants were removed from the experiment. To guard against inattentive participants, directed answer, content check, and manipulation check questions were presented to each participant (Allison et al., 2017; Chan et al., 2020; Stevenson et al., 2019). Participants were highly attentive, with 99% correctly answering the directed answer check, 97% correctly answering the content check questions, and 98% correctly answering the manipulation check question. We removed 12 participants that incorrectly answered any attention check questions; 13 participants were excluded due to incomplete data, resulting in a final sample size of 210.

The participants were 40.1 years old on average (ranging from 24 to 72 years old), with an average of 20.85 years of work experience, 116 (55%) had a bachelor's degree or higher and all were high school graduates. They were split approximately 48% women and 52% men. The participants identified themselves to be 81% White, 9% African American or Black, 5% Asian, 3% Hispanic, and roughly 1% Native American (percentages do not equal 100 due to rounding). The participants were all familiar with crowdfunding platforms and reported funding an average

of 3 crowdfunding projects in the past. Overall, the profile of participants in our sample is broadly consistent with the profiles of participants in recent crowdfunding research (e.g., Allison et al., 2022; Rose et al., 2021).

Experimental Design and Procedure

We followed the approach of previous scholars (Allison et al., 2017) and best practice recommendations for utilizing MTurk (Aguinis et al., 2021) in developing our experiment. Our experiment consisted of informed consent, screener questions, demographic questions, a series of eight (8) crowdfunding pitches, and follow-up questions. To ensure experimental realism, the crowdfunding pitches were adapted from the crowdfunding pitches utilized by Allison et al. (2017) and based on actual crowdfunding pitches. We manipulated the crowdfunding pitches to present varying prior crowdfunding performance (i.e., prior success vs. prior failure), as well as entrepreneur gender (i.e., man vs. woman) and project category information (i.e., fashion vs. technology). In the fashion category, the product was a new sweater, while in the technology category the product was a new local entertainment search app. Entrepreneur gender was manipulated to two conditions (man: "Hi, my name is James, and I am a man with a dream*"*, woman: "Hi, my name is Mary, and I am a woman with a dream*"*). Project category was manipulated to either be fashion (i.e., a women-dominant project category) or technology (a men-dominant project category) by substituting the words "fashion category" or "technology category", respectively, into one sentence. In line with the approach of previous scholars (i.e., Zunino et al., 2022), prior crowdfunding performance was manipulated to either be failure or success by substituting the words "but I failed to achieve my funding goal" or "successfully achieved my funding goal", respectively, into one sentence. The eight conditions were: 1) man with prior failure in fashion category, 2) man with prior success in fashion category, 2) woman with prior failure in fashion category, 4) woman with prior success in fashion category, 5) man

with prior failure in technology category, 6) man with prior success in technology category, 7) woman with prior failure in technology category, and 8) woman with prior success in technology category. Table C1 in Appendix C presents Study 3's pitches.

Each participant was asked to evaluate all eight crowdfunding pitches for a total of 1680 ratings. The crowdfunding pitches were presented in random order to each participant. Then each participant was asked several *follow-up questions* regarding the role of prior failure in the crowdfunding evaluation process. Specifically, we asked: 1) "Generally, when evaluating entrepreneurs' crowdfunding projects, do you consider the entrepreneurs' prior failed projects in deciding whether to pledge to the current project?" 2) "Is the project category that the entrepreneur previously failed in important when evaluating their current project?" We measured both using a binary variable indicating whether participants answered Yes (1) or No (0).

Measures

Dependent Variable

In line with prior crowdfunding research, funding was operationalized in two ways (Allison et al., 2017, 2022; Johnson et al., 2018; Scheaf et al., 2018). First, we capture *funding intentions* based on responses to the question "What is the likelihood you would pledge money to this project/venture?" using a 7-point Likert-type scale, with anchors of Very Likely and Very Unlikely (Allison et al., 2017; Johnson et al., 2018; Scheaf et al., 2018). Second, we capture *amount of funding* by asking "If you hypothetically had $100 to pledge how much would you pledge to this project/venture?" (Johnson et al., 2018). Participants could allocate any amount from $0 to $100 for each pitch; we logged this variable to account for positive skew.

Controls

We controlled for several characteristics of participants (i.e., funders). First, we control for the gender of funders (1 = woman, 0 = man) given prior research has demonstrated homophily as a

driver of funding decisions (Greenberg & Mollick, 2017). Second, we include dummy variables to control for the race/ethnicity of funders, which has also been shown to influence funding decisions (Rhue & Clark, 2022; Younkin & Kuppaswamy, 2018). Third, to account for differences in funders' ability to assess the quality of a funding decision, we control for level of education using dummy variables, work experience in years, and investment experience using a dummy variable (1 = yes, 0 = no) (Johnson et al., 2018). The work experience variable was positively skewed, so we use the natural log of this variable. Fourth, to account for differences in the level of interest in the two types of products, we control for whether they are interested in fashion products and app-based products (1 = yes, 0 = no). Fifth, we control for the length of time in seconds it took to complete the experiment to account for differences in engagement and thus the quality of responses. This variable was positively skewed, so we use the natural log of this variable. Finally, to account for differences in funders' prior crowdfunding experience, we control for the number of prior projects backed and whether they had created a project. The number of prior projects backed was positively skewed, so we use the natural log of this variable.

We also controlled for entrepreneur gender (1 = woman, 0 = man) and the project category detailed in the crowdfunding pitches using a dummy variable (1 = Fashion, 2 = Technology) for the regression models examining the direct effect of prior failure.

Results

Regression Analyses

Given our *funding intentions* dependent variable was measured on an ordinal scale (i.e., 7-point Likert-type scale), we utilize ordered logistic regression in STATA 18 to control for the ordered nature (i.e., 1 = Very Unlikely to 7 = Very Likely) of the dependent variable (Fritsch et al., 2019; Fullerton, 2009). For the *amount of funding* dependent variable, which was continuous, we

utilize ordinary least squares regression (OLS) in STATA 18. We specify robust standard errors for all our models to address any potential issues of heteroscedasticity (Wooldridge, 2010).

Table 3 presents descriptive statistics for all variables in our models. Table 4 presents regression estimates. After running our OLS models and calculating variance inflation factors (VIFs), we found no VIF exceeds 1.41, suggesting that multicollinearity is not likely an issue. Furthermore, we explored the correlations among the variables in our models finding all correlations in line with our expectations. Model 1 and Model 4 are controls-only models. Examining Model 2, we can see that prior crowdfunding failure has a negative and significant effect on funding intentions (β = -0.331; p-value < 0.001). Likewise, Model 5 shows that prior crowdfunding failure also has a negative and significant effect on the amount of funding provided to entrepreneurs (β = -0.238; p-value = 0.002). To examine how entrepreneur gender and gender congruency within the failed funding category moderate funders' evaluations of entrepreneurs' prior failure and, in turn, subsequent crowdfunding success, we conducted a subsample analysis of participants' evaluations of the four failed crowdfunding pitches (840 ratings). Examining Model 3, we can see that entrepreneur gender (β = 0.513; p-value < 0.001) and gender-incongruent project category (β = 0.377; p-value = 0.003) have a positive and significant effect on funding intentions. Likewise, Model 6 shows that entrepreneur gender (β = 0.294; p-value = 0.007) and gender-incongruent project category (β = 0.337; p-value = 0.002) have a positive and significant effect on the amount of funding provided to entrepreneurs.

Tables 3 & 4 here

Follow-up Questions

Roughly 63% (132) of participants indicated that they do consider the entrepreneurs' prior failed projects in deciding whether to pledge to the current project, whereas 37% (78) indicated they do

not. Similarly, roughly 57% (120) of participants indicated that the project category the entrepreneur failed in is important when evaluating the entrepreneur's current project, whereas 43% (90) indicated that it is not important. Table C2 in Appendix C contains illustrative responses to our third, open-ended question asking how the participants, in the role of funders, utilize an entrepreneur's prior failed crowdfunding project(s) when evaluating a current project.

Discussion

We integrated expectancy violations theory with research on crowdfunding failure and conducted multiple studies to advance understanding of how entrepreneurs' prior crowdfunding failure influences subsequent crowdfunding decisions in a rewards-based crowdfunding context. First, we conducted a survey with funders on the Prolific platform and found that funders are aware of, actively investigate, and are influenced by entrepreneurs' prior failures when evaluating whether to provide funding to entrepreneurs' subsequent projects. Then we conducted a field study of entrepreneurs who experienced an initial crowdfunding failure and who subsequently sought crowdfunding a second time on Kickstarter. We found that as the magnitude of failure increases, entrepreneurs' likelihood of subsequent crowdfunding success decreases. Furthermore, we found that entrepreneur gender and gender congruency with the failed funding category moderate this relationship. Consistent with our expectations, as magnitude of prior crowdfunding failure increases, women entrepreneurs and entrepreneurs that failed in a gender-incongruent project category are more likely to secure subsequent crowdfunding. Finally, we conducted a decision experiment to confirm and increase the generalizability of the findings from our field study. Overall, our decision experiment results provide support to the findings from our field study.

Theoretical Contributions and Implications

We make two contributions to research examining failure in rewards-based crowdfunding (Piening et al., 2021; Soublière & Gehman, 2020; Stevenson et al., 2022). First, we empirically

examine a central, unexamined assumption underlying prior research—that funders are cognizant of entrepreneurs' previous crowdfunding failures and consider these failures in evaluating entrepreneurs' subsequent crowdfunding projects. Findings from our three studies highlight that prior crowdfunding failure is an important factor that shapes how funders evaluate entrepreneurs and, in turn, entrepreneurs' ability to secure crowdfunding in their subsequent projects. Thus, we answer scholars' calls for research to address whether prior crowdfunding failure impacts entrepreneurs' subsequent crowdfunding success (Stevenson et al., 2022).

More broadly, our findings on the influence of prior failure have implications for our understanding of the funder due diligence process in rewards-based crowdfunding. Prior research in rewards-based crowdfunding has paid limited attention to how funders evaluate entrepreneurs' projects. A notable exception is the study by Chan and colleagues (2020) in which they conducted a post-hoc survey with nine experienced funders and found that video quality is an important factor that funders rely on when evaluating entrepreneurs. Furthermore, the authors found that the majority of funders visit a project webpage only once before making a funding decision. We complement prior research by demonstrating that entrepreneurs' prior failure is an important factor that funders rely on when evaluating whether to provide funding to entrepreneurs' subsequent projects. Furthermore, we found that on average funders spend 20 minutes evaluating a crowdfunding project page, with 7 minutes being spent on evaluating an entrepreneur's performance on prior crowdfunding projects. Taken together, these results suggest that while rewards-based funders are non-professional investors who lack training and experience in vetting ventures (Bapna, 2019; Mochkabadi & Volkmann, 2020), they do engage in a due diligence process, and evaluating entrepreneurs' prior failures and videos are two important

factors shaping this process. However, further research is needed to understand funders' due diligence process more fully.

Second, we further contribute to scholarly discussions on failure in rewards-based crowdfunding by drawing on expectancy violations theory and the concept of actor valence (Burgoon, 2015; Chandler et al., 2024; Seigner et al., 2022). In doing so, we engage in theoretical elaboration (Fisher & Aguinis, 2017) to extend our understanding of the factors that influence how funders interpret and evaluate prior failure. While prior research has highlighted the magnitude of prior failure as a salient factor (Piening et al., 2021; Soublière & Gehman, 2020; Stevenson et al., 2022), we know little about what other factors are considered by funders to resolve ambiguity surrounding entrepreneurs' prior failure. Addressing this is important for understanding why funders might attribute prior failure to concerns about entrepreneurs' abilities versus viewing prior failure as a learning opportunity that provides the foundation for subsequent crowdfunding success? We theorize and find support for our central argument that funders resolve the ambiguity surrounding prior failure by considering the magnitude of failure in conjunction with the *valence* they have towards the entrepreneur. More specifically, we find that entrepreneurs with greater prior magnitudes of failure are more likely to achieve subsequent crowdfunding success when funders have more positive valence towards the entrepreneurs based on who the entrepreneur is and where they failed. Our study complements prior research which has shown that actor valence shapes funders' evaluations of ambiguous violations communicated by entrepreneurs within their crowdfunding pitches (Seigner et al., 2022), by showing that funders consider actor valence to resolve ambiguity surrounding entrepreneurs' *prior expectancy violations* when evaluating entrepreneurs subsequent crowdfunding pitches. Thus, we enhance

the “explanatory and predictive adequacy” (Fisher & Aguinis, 2017: 450) of expectancy violations theory in rewards-based crowdfunding.

Third, we advance research examining gender effects in rewards-based crowdfunding. Prior research has shown that women entrepreneurs tend to be more successful relative to men entrepreneurs in securing crowdfunding (e.g., Geiger, 2020; Johnson et al., 2018; Wesemann & Wincent, 2021). However, most entrepreneurs seeking rewards-based crowdfunding will experience a failure (Stevenson et al., 2022), and failure can activate gendered expectations about entrepreneurs which, in turn, can potentially weaken women entrepreneurs’ advantages in acquiring crowdfunding (Pistilli et al., 2023; Ucbasaran et al., 2013). Findings from our field study show that women entrepreneurs’ likelihood of subsequent crowdfunding success is relatively constant, even as the magnitude of failure increases. Conversely, we reveal a strong negative relationship between the magnitude of failure and subsequent crowdfunding success for men entrepreneurs. Furthermore, findings from our decision experiment show that funders are both more likely to fund and provide higher amounts of funding to women entrepreneurs’ subsequent projects relative to men entrepreneurs’ subsequent projects. Thus, our findings extend the conversation on conditions that contribute to women's advantages in rewards-based crowdfunding (e.g., Greenberg & Mollick, 2017; Johnson et al., 2018; Seigner & Milanov, 2023): prior failure is less of a burden for women relative to men entrepreneurs’ subsequent crowdfunding success, and especially as the magnitude of prior crowdfunding failure increases.

Practical Implications

Our study offers several practical implications for entrepreneurs seeking rewards-based crowdfunding and for crowdfunding platforms. First, our study highlights the importance of recognizing that, despite crowdfunding being a more democratic funding avenue versus more traditional routes (e.g., angels, VCs), failure remains a more common outcome than success. We

mention this not to discourage entrepreneurs but to underscore that crowdfunding performance requires resilience because failure is a frequent outcome for many entrepreneurs during this journey at various points. Indeed, the literature asserts that many, if not all, entrepreneurs deal with failure at various points in time. A point of differentiation among entrepreneurs is how they deal with and overcome their failures. Thus, we encourage entrepreneurs to adopt a mindset that embraces failure as a herald of the next opportunity, to solicit feedback from the crowd on key attributes of their pitches (e.g., intended value proposition, product attractiveness, confidence in the plan of delivery, etc.), and to address consistent criticism in launching a subsequent crowdfunding project. To the extent that feedback converges upon fundamental flaws in the initial pitch, however, entrepreneurs might then be better off pivoting to an entirely new idea and/or taking on mentors to guide their subsequent activities.

Second, our study demonstrates that funders are aware of prior failures and use them in evaluating entrepreneurs' subsequent projects. Furthermore, participants in our decision experiment shared that they want to know *why* entrepreneurs failed previously before providing subsequent funding. Hence, we suggest that entrepreneurs should be more proactive and detailed in addressing prior failure within their subsequent pitches to reduce funders' concerns. This could be done by adding a short section within their pitch narrative and/or video that discusses reasons for prior failure and if appropriate highlighting that the entrepreneur was close to achieving funding. With such framing entrepreneurs can spotlight what they learned from their prior experience that will allow them to be successful moving forward. Of course, focusing on failure can present a negative frame to the pitch, and therefore, we encourage entrepreneurs to first address the prior failure before highlighting positive qualities that have been added based on failure-driven feedback (cf. Kanze et al., 2018). For crowdfunding platforms, we suggest

formalizing an optional section for campaigns which might be presented as the entrepreneur's "prior performance" on the current project webpage. Such a section would allow entrepreneurs to explicitly address why their prior projects were or were not successful, lessons learned, and positive revisions that characterize their current projects.

Third, for both men and women entrepreneurs, our study demonstrates the importance of taking a more holistic perspective of crowdfunding failure that is cognizant of how the magnitude of failure combines with entrepreneur characteristics to shape how funders evaluate entrepreneurs' prior failures. For women entrepreneurs that failed, we suggest that women should not be deterred from launching a subsequent project by the "fear of failure" because an initial failure, even if a complete failure, is not a burden that cannot be overcome to acquire subsequent funding. Contrastingly, for men entrepreneurs that failed, our results suggest initial failure is more of a burden to overcome. Therefore, we recommend not rushing into a subsequent pitch and not being locked into a "visionary" identity that rebuffs feedback (cf. Grimes, 2018). Instead, men should take time to revise their projects so that they can construct a more persuasive pitch.

Finally, for both women and men entrepreneurs, our findings suggest that entrepreneurs launching projects should be cognizant of the gender-archetypal entrepreneur in the project category. The typical entrepreneur within a category, whether female or male, shapes funders' expectations for who is expected to be successful, and, in turn, how funders make attributions for crowdfunding failure (i.e., whether funders attribute the cause of failure more to external [i.e., gender norms] or internal factors [i.e., lacking skills and abilities]). Considering failure is the likely outcome for entrepreneurs seeking rewards-based crowdfunding, understanding these distinct attributions for crowdfunding failure likely will benefit entrepreneurs when interacting with funders during subsequent crowdfunding projects. Thus, we encourage entrepreneurs to take

time to understand the contexts in which they plan to pitch, studying the profiles of entrepreneurs, getting a sense of who is pitching within the focal category, taking on the role of crowdfunder to discern what they like and do not like about prior successful and failed entrepreneurs, and to model their own pitches based on these insights.

Limitations and Future Research

Our study is subject to limitations, some of which present opportunities for future research. First, while we focus on entrepreneurs who experienced an initial crowdfunding failure and then subsequently sought crowdfunding a second time, serial entrepreneurs are also prominent on crowdfunding platforms (Buttice et al., 2017; Skirnevskiy et al., 2017). Hence, scholars should examine how our results differ for serial entrepreneurs. For instance, how do funders evaluate an entrepreneur who has both prior failures and successes when considering whether to provide funding to the entrepreneur's subsequent project? Do they offset each other or is one weighed more heavily than the other, and, if so, why?

Second, while we focus on entrepreneur gender, there are other personal characteristics that future research can examine instead of or in combination with entrepreneur gender. For instance, while we control for entrepreneur race, scholars could investigate how entrepreneur race (Anglin et al., 2022; Younkin & Kuppuswamy, 2019) and the racial composition of project categories shapes how the magnitude of failure of minority entrepreneurs versus white counterparts influences subsequent crowdfunding success.

Third, while we control for differences in the language that entrepreneurs use in their pitches and the length of their videos, it would be interesting for future research to examine how these differences alter our findings. For instance, future research could build upon our study and the work by Seigner and colleagues (2022) to examine whether the language that men and women entrepreneurs use in subsequent pitches violates funders' expectations (e.g., innovation claims) in

specific gender-typed project categories, and, in turn, how this influences funders' evaluations of the magnitude of prior failure. Similarly, future research could bridge our study and the work by Davis and colleagues (2021) to examine how entrepreneurs' facial expressions of emotion while discussing prior crowdfunding failure influence funders' evaluations of the failure and, in turn, likelihood to provide subsequent funding.

Finally, while we control for differences in the duration of the failed project, it would be interesting for future research to unpack how temporal differences (e.g., Cope, 2011; Piening et al., 2021; Sarasvathy et al., 2013) might alter our findings. For instance, there is a popular mantra in entrepreneurship to "fail fast". Whether this holds true and how the magnitude of failure and our gender moderator might interact with temporal aspects of failure across different funding contexts (crowdfunding vs. VCs) offers an exciting avenue for future research.

Conclusion

Many entrepreneurs seeking rewards-based crowdfunding have experienced failure. Yet, our understanding of how funders evaluate entrepreneurs prior crowdfunding failure and why prior failure is or is not a burden for entrepreneurs subsequent crowdfunding success remains incomplete. We show that prior crowdfunding failure is an important factor shaping how funders evaluate entrepreneurs' subsequent projects. However, we also demonstrate that understanding why prior failure is or is not a burden for entrepreneurs subsequent crowdfunding success is an inherently complex issue. We illustrate this complexity by demonstrating that entrepreneurs subsequent crowdfunding success is contingent on considering the magnitude of the entrepreneur's prior failure along with the *valence* funders have towards the entrepreneur. We hope our study catalyzes future research on crowdfunding failure.

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Table 1. Sample descriptive statistics and correlations for Study 2[a]

Variables[12]	Mean	Med.	S.D.	Min	Max	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
(1) Subsequent Crowdfunding Success	0.34	0.00	0.42	0.00	1.00										
(2) Failed Pitch Length (ln)	6.44	6.44	0.81	3.82	9.02	0.07									
(3) Failed Duration	34.05	30.00	11.95	5.00	60.0	-0.05	-0.01								
(4) Failed Staff Pick	0.04	0.00	0.18	0.00	1.00	0.10	0.17	-0.02							
(5) Failed Number of Backers (ln)	2.17	1.95	1.48	0.00	6.67	0.22	0.43	-0.02	0.27						
(6) Failed Video	0.36	0.00	0.48	0.00	1.00	-0.02	0.41	-0.06	0.07	0.24					
(7) Subsequent Pitch Length (ln)	6.34	6.35	0.78	3.89	8.78	-0.01	0.69	-0.03	0.11	0.33	0.45				
(8) Subsequent Duration	36.38	30.0	13.57	5.00	60.0	-0.05	0.00	0.09	-0.01	-0.03	0.05	0.01			
(9) Subsequent Comments (ln)	0.84	0.00	1.44	0.00	8.50	0.12	-0.00	0.01	-0.01	0.01	0.02	0.00	-0.01		
(10) Subsequent Updates (ln)	1.02	0.69	1.15	0.00	4.54	0.49	0.13	0.01	0.05	0.28	0.04	0.11	-0.03	0.23	
(11) Subsequent Pictures	7.08	4.00	11.32	0.00	75.0	0.13	0.11	0.01	0.02	0.11	0.08	0.13	0.01	0.20	0.34
(12) Subsequent Video	0.65	1.00	0.47	0.00	1.00	0.15	0.05	0.00	0.04	0.10	0.03	0.06	0.02	0.07	0.24
(13) Subsequent Staff Pick	0.04	0.00	0.21	0.00	1.00	0.23	0.05	0.01	0.18	0.11	-0.02	0.02	-0.02	0.16	0.30
(14) Subsequent Funding Goal (ln)	8.48	8.51	1.53	5.29	14.67	-0.17	-0.04	0.05	-0.05	-0.11	-0.05	-0.00	0.01	0.09	-0.10
(15) Number of Projects Backed (ln)	0.77	0.00	1.20	0.00	6.39	0.11	0.01	-0.00	-0.01	0.07	-0.03	0.01	-0.01	0.11	0.24
(16) Entrepreneur Race	0.23	0.00	0.42	0.00	1.00	-0.03	-0.01	-0.04	0.01	-0.05	-0.07	-0.04	-0.01	0.02	-0.11
(17) Decreased Funding Goal	0.65	1.00	0.47	0.00	1.00	0.14	0.09	0.03	0.08	0.18	0.08	0.04	-0.01	-0.04	0.10
(18) Pitch Adjustment (ln)	4.89	5.04	1.48	0.00	8.18	0.09	0.41	-0.05	0.13	0.24	0.14	0.29	-0.00	-0.01	0.09
(19) Time Between Pitches (sq)	10.89	7.87	10.45	1.00	55.12	0.08	-0.04	0.10	0.03	0.06	-0.13	-0.05	0.07	-0.03	0.01
(20) Magnitude of Failure	0.85	0.94	0.19	0.07	1.00	-0.20	-0.26	0.04	-0.20	-0.72	-0.12	-0.18	0.03	0.02	-0.21
(21) Entrepreneur Gender	0.31	0.00	0.46	0.00	1.00	0.31	-0.03	-0.06	0.02	0.02	-0.07	-0.09	-0.03	-0.05	-0.04
(22) Gender Incongruent Project Category	0.35	0.00	0.47	0.00	1.00	0.15	-0.02	-0.01	0.01	0.02	-0.03	-0.02	-0.02	0.01	-0.03

Variables	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)
(11) Subsequent Pictures											
(12) Subsequent Video	0.18										
(13) Subsequent Staff Pick	0.09	0.12									
(14) Subsequent Funding Goal (ln)	0.08	0.17	-0.01								
(15) Number of Projects Backed (ln)	0.13	0.07	0.03	-0.02							
(16) Entrepreneur Race	-0.02	0.07	0.01	-0.04	-0.05						
(17) Decreased Funding Goal	-0.06	-0.03	0.00	-0.49	-0.03	-0.07					
(18) Pitch Adjustment (ln)	0.07	0.03	0.08	-0.00	-0.00	-0.00	0.03				
(19) Time Between Pitches (sq)	-0.01	0.02	0.03	0.02	0.01	0.02	-0.02	0.17			
(20) Magnitude of Failure	-0.04	-0.04	-0.10	0.11	-0.09	0.04	-0.04	-0.15	-0.02		
(21) Entrepreneur Gender	-0.07	-0.12	0.01	-0.07	-0.03	0.13	0.03	0.01	0.07	-0.03	
(22) Gender Incongruent Project Category	-0.05	0.09	-0.01	-0.04	-0.02	0.07	0.06	-0.01	-0.01	0.01	0.52

[a]N=1000; [1]ln=Natural logarithm transformation; [2]sq=Square root transformation

Table 2. Logistic regression model results for Study 2[a]

VARIABLES[12]	Model 1		Model 2		Model 3		Model 4		Model 5		Model 6	
	Coeff.	a.m.e	Coeff.	a.m.e	Coeff.	a.m.e	Coeff.	a.m.e	Coeff.	a.m.e	Coeff.	a.m.e
Controls												
Failed Pitch Length (ln)	0.181	0.026	0.194	0.029	0.254	0.033	0.221	0.026	0.297	0.039	0.231	0.029
	(0.226)	(0.234)	(0.197)	(0.198)	(0.186)	(0.181)	(0.261)	(0.260)	(0.116)	(0.117)	(0.187)	(0.238)
Failed Duration	-0.016*	-0.002*	-0.015*	-0.002*	-0.012	-0.001	-0.010	-0.001	-0.011	-0.001	-0.021	-0.001
	(0.026)	(0.031)	(0.034)	(0.034)	(0.146)	(0.141)	(0.230)	(0.229)	(0.151)	(0.150)	(0.142)	(0.138)
Failed Staff Pick	0.774+	0.127	0.778	0.125	0.683	0.083	0.902+	0.113+	0.505+	0.069	0.641	0.085
	(0.099)	(0.118)	(0.101)	(0.124)	(0.228)	(0.290)	(0.074)	(0.085)	(0.360)	(0.374)	(0.246)	(0.263)
Failed Number of Backers (ln)	-0.155*	0.021+	-0.015	-0.002+	-0.023	-0.001	-0.033	-0.004	-0.047	-0.006	-0.020	-0.002
	(0.031)	(0.057)	(0.872)	(0.872)	(0.824)	(0.980)	(0.749)	(0.749)	(0.647)	(0.647)	(0.843)	(0.843)
Failed Video	-0.219	-0.026	-0.144	-0.021	-0.004	0.007	-0.154	-0.018	0.012	-0.001	-0.010	-0.001
	(0.287)	(0.379)	(0.486)	(0.483)	(0.984)	(0.801)	(0.501)	(0.498)	(0.958)	(0.958)	(0.965)	(0.965)
Subsequent Pitch Length (ln)	-0.442**	-0.067**	-0.442**	-0.066**	-0.338*	-0.042*	-0.400*	-0.048*	-0.330+	-0.044+	-0.337+	-0.043+
	(0.002)	(0.002)	(0.002)	(0.002)	(0.045)	(0.048)	(0.023)	(0.024)	(0.053)	(0.055)	(0.058)	(0.058)
Subsequent Duration	-0.000	-0.001	-0.000	-0.001	0.001	-0.001	0.000	0.000	0.000	0.000	0.000	0.000
	(0.887)	(0.847)	(0.897)	(0.897)	(0.894)	(0.923)	(0.996)	(0.996)	(0.924)	(0.924)	(0.923)	(0.923)
Subsequent Comments (ln)	0.238**	0.036**	0.252**	0.037**	0.551***	0.072***	0.405***	0.048***	0.762***	0.102***	0.565***	0.072***
	(0.005)	(0.004)	(0.004)	(0.003)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Subsequent Updates (ln)	0.830***	0.125***	0.827***	0.124***	0.059+	0.008*	0.983***	0.118***	0.984***	0.123***	0.972***	0.008*
	(0.000)	(0.000)	(0.000)	(0.000)	(0.075)	(0.040)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.049)
Subsequent Pictures	-0.012	-0.001	-0.011	-0.001	-0.016	-0.001	-0.017	-0.002	-0.015	-0.002	-0.015	-0.001
	(0.248)	(0.247)	(0.259)	(0.257)	(0.184)	(0.362)	(0.145)	(0.141)	(0.183)	(0.197)	(0.219)	(0.212)
Subsequent Video	0.436*	0.066*	0.446*	0.067*	0.857***	0.112***	0.817***	0.099***	0.867***	0.115***	0.791**	0.101**
	(0.027)	(0.026)	(0.024)	(0.023)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.001)	(0.001)
Subsequent Staff Pick	0.825+	0.135+	0.786+	0.128	1.397*	0.199*	0.785	0.099	1.481**	0.212**	1.398*	0.193*
	(0.065)	(0.085)	(0.084)	(0.104)	(0.010)	(0.013)	(0.111)	(0.122)	(0.006)	(0.007)	(0.015)	(0.019)
Subsequent Funding Goal (ln)	-0.279***	-0.042***	-0.264**	-0.039***	-0.418***	-0.054***	-0.370***	-0.045***	-0.475***	-0.063***	-0.470***	-0.060***
	(0.000)	(0.000)	(0.001)	(0.001)	(0.000)	(0.001)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Number of Projects Backed (ln)	-0.001	-0.001	-0.001	-0.001	0.118	0.015	-0.002	-0.001	0.002	0.002	-0.000	0.000
	(0.986)	(0.986)	(0.689)	(0.672)	(0.228)	(0.232)	(0.461)	(0.461)	(0.402)	(0.402)	(0.750)	(0.751)
Entrepreneur Race	0.193	0.029	0.205	0.031	-0.098	-0.012	-0.503	-0.006	-0.183	-0.024	-0.104	-0.013
	(0.345)	(0.386)	(0.321)	(0.323)	(0.689)	(0.638)	(0.823)	(0.823)	(0.472)	(0.468)	(0.675)	(0.673)
Decreased Funding Goal	0.149	0.027	0.226	0.033	0.145	0.019	0.133	0.016	0.176	0.023	0.081*	0.010
	(0.491)	(0.489)	(0.311)	(0.308)	(0.552)	(0.551)	(0.594)	(0.594)	(0.469)	(0.467)	(0.746)	(0.745)
Pitch Adjustment (ln)	0.040	0.006	0.039	0.005	0.028	0.004	0.027	0.003	0.019	0.002	0.033	0.004
	(0.490)	(0.489)	(0.495)	(0.489)	(0.707)	(0.707)	(0.713)	(0.713)	(0.782)	(0.782)	(0.660)	(0.660)
Time Between Pitches (sq)	0.026*	0.003*	0.027*	0.004*	0.022*	0.003*	0.029*	0.003*	0.025*	0.003*	0.024	0.003*
	(0.016)	(0.015)	(0.011)	(0.010)	(0.048)	(0.039)	(0.018)	(0.017)	(0.031)	(0.029)	(0.045)	(0.041)
Main effects												
Magnitude of Failure			-1.568**	-0.235**	-1.677*	-0.221*	-3.205***	-0.289***	-2.603***	-0.271**	-2.762***	-0.268**
			(0.007)	(0.006)	(0.030)	(0.024)	(0.000)	(0.000)	(0.000)	(0.006)	(0.000)	(0.003)
Entrepreneur Gender					2.437***	0.351***	2.569***	0.347***	2.483***	0.359***	2.534**	0.218*
					(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.007)	(0.038)
Gender Incongruent Project Category					-1.043*	-0.198*			-1.864*	-0.209*	-1.304*	-0.142+
					(0.041)	(0.044)			(0.047)	(0.015)	(0.042)	(0.075)
Interaction effects												
Magnitude of Failure x Entrepreneur Gender							3.864***	0.467***			2.640*	0.339*

				(0.000)	(0.000)		(0.037)	(0.043)
Magnitude of Failure x Gender Incongruent						2.693**	0.396**	2.021*	0.163*
Project Category						(0.009)	(0.008)	(0.043)	(0.041)
Constant	1.929*	3.21**	2.04**	3.10*		2.79*		2.83*	
	(0.044)	(0.007)	(0.002)	(0.029)		(0.046)		(0.041)	
Wald Chi X^2	222.80	224.02	230.07	315.55		231.65		330.31	
Psuedo R2	0.272	0.287	0.35	0.412		0.37		0.45	
Observations	1000	1000	1000	1000		1000		1000	

[a]p-values calculated with robust standard errors in parentheses. Dummies for subsequent project category and year used in all models. a.m.e. = Average marginal effects. [1]ln=Natural logarithm transformation; [2]sq=Square root transformation.

*** $p < 0.001$
** $p < 0.01$
* $p < 0.05$
+ $p < 0.1$

Table 3. Sample descriptive statistics and correlations for Study 3[a]

Variables[1]	Mean	S.D.	Min	Max	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
(1) Funding Intentions	3.45	1.84	1.00	7.00														
(2) Amount of Funding (ln)	2.11	1.64	0.00	4.61	0.76													
(3) Funder Gender	0.48	0.49	0.00	1.00	0.03	0.04												
(4) Funder Work Experience (ln)	2.95	0.56	0.00	3.98	-0.03	-0.02	0.18											
(5) Funder Investment Experience	0.21	0.41	0.00	1.00	0.13	0.11	-0.15	-0.08										
(6) Funder Fashion Interest	0.43	0.49	0.00	1.00	0.20	0.19	0.11	-0.06	0.20									
(7) Funder App Interest	0.98	0.11	0.00	1.00	-0.00	0.01	-0.12	-0.18	0.06	0.10								
(8) Experiment Duration (ln)	6.85	0.49	5.59	8.69	0.04	0.01	0.07	0.08	0.00	0.15	-0.10							
(9) Funder Number of Projects Backed (ln)	0.94	0.80	0.00	4.62	0.08	0.05	0.00	-0.03	0.23	-0.04	0.04	-0.03						
(10) Funder Created Project	0.08	0.27	0.00	1.00	0.09	0.09	-0.04	-0.00	0.22	-0.04	-0.11	-0.10	0.28					
(11) Entrepreneur Gender	0.50	0.50	0.00	1.00	0.14	0.08	0.00	-0.00	-0.00	0.00	0.00	0.00	-0.00	-0.01				
(12) Project Category	1.50	0.50	1.00	2.00	-0.15	-0.14	0.00	0.00	-0.00	0.00	0.00	0.00	0.00	0.00	0.00			
(13) Prior Crowdfunding Failure	0.50	0.50	0.00	1.00	-0.09	-0.07	0.00	0.00	0.00	-0.00	0.00	0.00	0.00	0.00	0.00	0.00		
(14) Funder Ethnicity	0.34	0.84	0.00	4.00	-0.01	-0.02	0.04	-0.05	-0.11	-0.00	-0.14	0.00	-0.06	0.11	-0.00	0.00	0.00	
(15) Funder Level of Education	3.44	1.12	1.00	7.00	-0.02	-0.02	0.05	0.04	0.18	0.04	-0.17	0.03	0.08	0.10	0.00	0.00	0.00	0.12

[a]N=1680 ratings (210 participants x 8 ratings)

[1]ln=Natural logarithm transformation

Table 4. Regression model results for Study 3[a]

	Funding Intentions DV			Amount of Funding DV		
VARIABLES[1]	**Model 1**	**Model 2**	**Model 3**	**Model 4**	**Model 5**	**Model 6**
Controls						
Funder Gender	0.093	0.089	0.179	0.096	0.096	0.106
	(0.291)	(0.332)	(0.171)	(0.238)	(0.237)	(0.362)
Funder Work Experience (ln)	0.014	0.014	0.027	-0.044	-0.044	-0.044
	(0.852)	(0.852)	(0.802)	(0.652)	(0.651)	(0.649)
Funder Investment Experience	0.315*	0.312*	0.296	0.211+	0.211+	0.259+
	(0.012)	(0.016)	(0.105)	(0.057)	(0.057)	(0.097)
Funder Fashion Interest	0.749***	0.826***	0.891***	0.634***	0.634***	0.651***
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Funder App Interest	-0.402	-0.218	-0.122	-0.213	-0.213	-0.198
	(0.383)	(0.622)	(0.864)	(0.467)	(0.462)	(0.681)
Experiment Duration (ln)	0.069	0.065	0.001	-0.059	-0.059	-0.059
	(0.418)	(0.462)	(0.992)	(0.618)	(0.618)	(0.619)
Funder Number of Projects Backed (ln)	0.011*	0.014**	0.195*	0.029	0.029	0.029
	(0.026)	(0.007)	(0.019)	(0.711)	(0.711)	(0.711)
Funder Created Project	0.531**	0.568**	0.641*	0.576***	0.576***	0.684**
	(0.002)	(0.002)	(0.014)	(0.000)	(0.000)	(0.001)
Entrepreneur Gender	0.512***	0.509***		0.262**	0.262**	
	(0.000)	(0.000)		(0.001)	(0.001)	
Project Category	-0.567***	-0.562***		-0.487***	-0.487***	
	(0.000)	(0.000)		(0.000)	(0.000)	
Main effect						
Prior Crowdfunding Failure		-0.331***			-0.238**	
		(0.000)			(0.002)	
Moderator effects in Failure subsample						
Entrepreneur Gender			0.513***			0.294**
			(0.000)			(0.007)
Gender Incongruent Project Category			0.377**			0.337**
			(0.003)			(0.002)
Constant				2.07	2.19**	1.92**
				(0.011)	(0.007)	(0.005)
Wald Chi X^2	204.35	220.24	134.62			
PesudoR^2/ R^2	0.03	0.04	0.05	0.09	0.11	0.12
Observations	1680	1680	840	1680	1680	840

[a]p-values calculated with robust standard errors in parentheses. Dummies for Funder Ethnicity and Funder level of education used in all models. There are 4 ethnicity dummies (5 categories) and 6 education dummies (7 categories).

[1]ln=Natural logarithm transformation

*** p < 0.001; ** p < 0.01; * p < 0.05; + p < 0.1

Figure 1. Interaction between Magnitude of Failure and Entrepreneur Gender

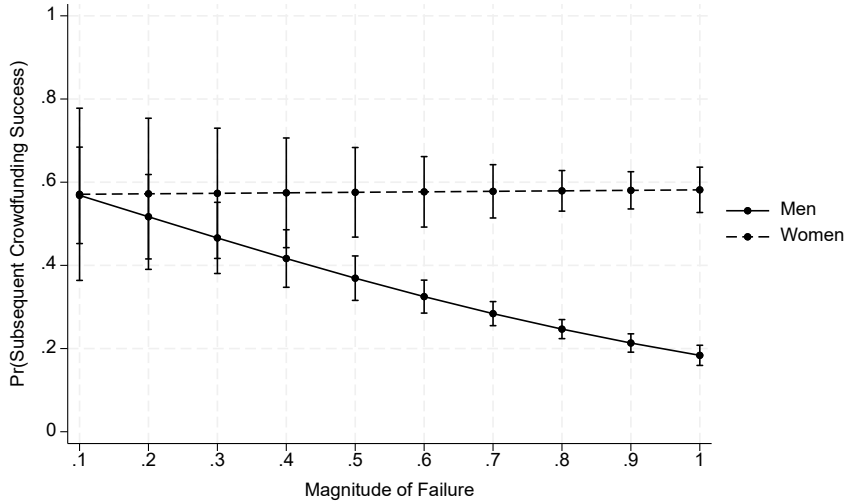
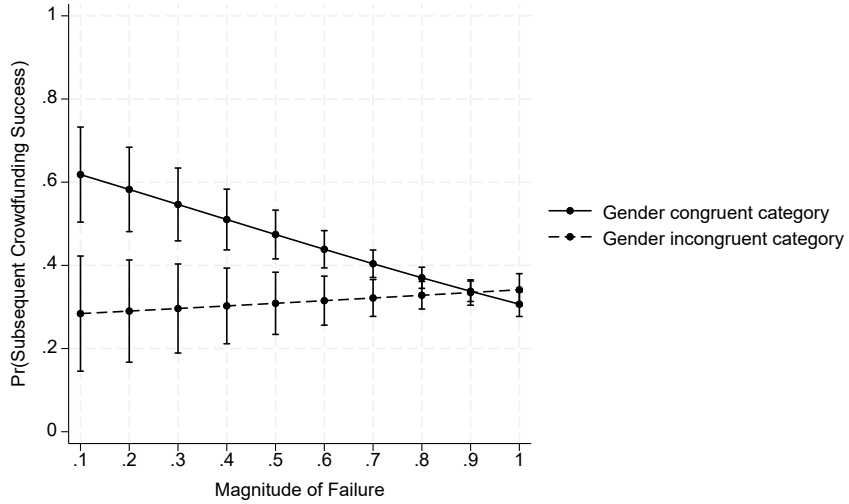


Figure 2. Interaction between Magnitude of Failure and Gender Incongruent Project Category



APPENDIX A

Crowdfunder Evaluation Process Questions for Study 1

1. Do you know where to obtain information on entrepreneurs' performance on prior crowdfunding projects on crowdfunding platforms (i.e., projects created, projects backed)?
2. Do you view an entrepreneur's Kickstarter profile and previous project performance when evaluating their current project?
3. How much time (in minutes) do you take evaluating a crowdfunding project page on average?
4. How much time (in minutes) do you spend evaluating an entrepreneur's performance on prior crowdfunding projects?
5. Please rank the following elements found on an entrepreneur's crowdfunding webpage in terms of the relative importance when evaluating whether to provide funding to an entrepreneur's project.
    a. Rank order the following elements
        i. Entrepreneur profile
        ii. Projects Created
        iii. Projects Backed
        iv. Story/Pitch
        v. Video
        vi. Rewards
        vii. Risks and Challenges
6. Have you ever backed an entrepreneur after backing them in their prior project that failed to secure funding? (i.e., Backed the entrepreneur's first project but it did not achieve the desired funding goal, then the entrepreneur launched another project and you backed that project).

APPENDIX B

Table B1. Alternative DV (funds raised) analyses results[a]

VARIABLES	Model 1	Model 2	Model 3	Model 4	Model 5
Controls					
Failed Pitch Length (ln)	-0.265*	-0.184+	-0.174+	-0.172	-0.219*
	(0.023)	(0.081)	(0.094)	(0.115)	(0.048)
Failed Duration	0.003	0.002	0.002	0.002	0.003
	(0.589)	(0.701)	(0.652)	(0.638)	(0.621)
Failed Staff Pick	0.227	0.087	0.074	0.063	0.085
	(0.604)	(0.838)	(0.859)	(0.885)	(0.846)
Failed Number of Backers (ln)	0.260***	0.179*	0.159*	0.172*	0.155*
	(0.000)	(0.012)	(0.014)	(0.018)	(0.036)
Failed Video	-0.244	-0.213	-0.203	-0.222	-0.249
	(0.129)	(0.160)	(0.175)	(0.163)	(0.175)
Subsequent Pitch Length (ln)	0.123	0.118	0.128	0.128	0.088
	(0.311)	(0.304)	(0.263)	(0.263)	(0.449)
Subsequent Duration	-0.001	0.000	0.000	0.000	-0.005
	(0.856)	(0.905)	(0.929)	(0.929)	(0.320)
Subsequent Comments (ln)	0.800***	0.552***	0.552***	0.525***	0.519***
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Subsequent Updates (ln)	0.035***	1.051***	1.049***	1.081***	1.000***
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Subsequent Pictures	0.033**	0.29*	0.028*	0.028*	0.020*
	(0.005)	(0.022)	(0.024)	(0.024)	(0.022)
Subsequent Video	1.01***	0.880***	0.892***	0.899***	0.829***
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Subsequent Staff Pick	0.617*	0.355	0.279	0.279	0.264
	(0.018)	(0.135)	(0.239)	(0.239)	(0.268)
Subsequent Funding Goal (ln)	0.043	0.034	0.033	0.033	0.084
	(0.462)	(0.523)	(0.532)	(0.532)	(0.129)
Number of Projects Backed (ln)	0.316***	0.119*	0.112*	0.124*	0.131*
	(0.000)	(0.035)	(0.042)	(0.044)	(0.020)
Entrepreneur Race	-0.745***	-0.677***	-0.720***	-0.585**	-0.583**
	(0.000)	(0.000)	(0.000)	(0.002)	(0.002)
Decreased Funding Goal	0.058	0.087	0.066	0.066	0.161
	(0.746)	(0.571)	(0.669)	(0.669)	(0.385)
Pitch Adjustment (ln)	0.061	0.071	0.065	0.066	0.062
	(0.256)	(0.151)	(0.184)	(0.209)	(0.239)
Time Between Pitches (sq)	0.003	0.007	0.005	0.005	0.004
	(0.658)	(0.378)	(0.477)	(0.504)	(0.591)
Main effects					
Magnitude of Failure		-1.517***	-1.03**	-1.38*	-1.361*
		(0.000)	(0.001)	(0.013)	(0.017)

Entrepreneur Gender			2.703***	0.075*	3.349***
			(0.000)	(0.042)	(0.000)
Gender Incongruent Project Category				-1.921**	-0.684+
				(0.001)	(0.072)
Interaction effects					
Magnitude of Failure x Entrepreneur Gender			2.941***		3.885***
			(0.000)		(0.000)
Magnitude of Failure x Gender Incongruent Project Category				1.799**	1.169*
				(0.007)	(0.041)
Constant	3.48***	4.11***	3.04**	2.96**	2.29***
	(0.000)	(0.000)	(0.001)	(0.003)	(0.000)
R-squared	0.512	0.578	0.582	0.589	0.591
Observations	1000	1000	1000	1000	1000

[a]p-values calculated with robust standard errors in parentheses. Dummies for subsequent project category and year used in all models.
[1]ln=Natural logarithm transformation; [2]sq=Square root transformation.

*** $p < 0.001$
** $p < 0.01$
* $p < 0.05$
+ $p < 0.1$

APPENDIX C

Table C1. Crowdfunding Pitches for Study 3[a]

1) Man, Prior Failure, in Fashion Category Seeking $100 funding! You'll receive: ONE Edgartown Crew sweater in the color of your choice (you'll choose later). ***Hi, my name is James, and I am a man with a dream.*** My dream is to create a collection of high-fashion sweaters with thick ribbed cuffs and collars to promote thermal regulation and warmth for windy days among the great outdoors. Our incredible sweaters will be crafted with only the highest-quality materials. The sweaters have insulated pockets that can fit your Android or Apple smartphone. I have a college degree in fashion design and ten years of experience in the fashion industry. ***I have launched one prior crowdfunding project in the fashion category, but I failed to achieve my funding goal.*** However, I believe together we can make this happen!	**2) Man, Prior Success, in Fashion Category** Seeking $100 funding! You'll receive: ONE Edgartown Crew sweater in the color of your choice (you'll choose later). ***Hi, my name is James, and I am a man with a dream***. My dream is to create a collection of high-fashion sweaters with thick ribbed cuffs and collars to promote thermal regulation and warmth for windy days among the great outdoors. Our incredible sweaters will be crafted with only the highest-quality materials. The sweaters have insulated pockets that can fit your Android or Apple smartphone. I have a college degree in fashion design and ten years of experience in the fashion industry. ***I have launched one prior crowdfunding project in the fashion category and successfully achieved my funding goal.*** I believe together we can make this happen!	**5) Man, Prior Failure, in Technology Category** Seeking $100 funding! You'll receive: Exclusive access to the Vibes BetaV1 app. ***Hi, my name is James, and I am a man with a dream***. My dream is to create a high-tech local entertainment search app that disrupts the current online search and review environment. Our app will do this by being the only geo-sensory based search engine using artificial intelligence (AI) to match your mood to help you decide on where to go. The app is compatible with Android and Apple smartphones. I have a college degree in computer science and ten years of experience in the tech industry. ***I have launched one prior crowdfunding project in the technology category, but I failed to achieve my funding goal.*** However, I believe together we can make this happen!	**6) Man, Prior Success, in Technology Category** Seeking $100 funding! You'll receive: Exclusive access to the Vibes BetaV1 app. ***Hi, my name is James, and I am a man with a dream***. My dream is to create a high-tech local entertainment search app that disrupts the current online search and review environment. Our app will do this by being the only geo-sensory based search engine using artificial intelligence (AI) to match your mood to help you decide on where to go. The app is compatible with Android and Apple smartphones. I have a college degree in computer science and ten years of experience in the tech industry. ***I have launched one prior crowdfunding project in the technology category and successfully achieved my funding goal.*** I believe together we can make this happen!
3) Woman, Prior Failure, in Fashion Category Seeking $100 funding! You'll receive: ONE Edgartown Crew sweater in the color of your choice (you'll choose later***). Hi, my name is Mary, and I am a woman with a dream.*** My dream is to create a collection of high-fashion sweaters with thick ribbed cuffs and collars to promote thermal regulation and warmth for windy days among the great outdoors. Our incredible sweaters will be crafted with only the highest-quality materials. The sweaters have insulated pockets that can fit your Android or Apple smartphone. I have a college degree in fashion design and ten years of experience in the fashion industry***. I have launched one prior crowdfunding project in the fashion category, but I failed to achieve my funding goal.*** However, I believe together we can make this happen!	**4) Woman, Prior Success, in Fashion Category** Seeking $100 funding! You'll receive: ONE Edgartown Crew sweater in the color of your choice (you'll choose later). ***Hi, my name is Mary, and I am a woman with a dream.*** My dream is to create a collection of high-fashion sweaters with thick ribbed cuffs and collars to promote thermal regulation and warmth for windy days among the great outdoors. Our incredible sweaters will be crafted with only the highest-quality materials. The sweaters have insulated pockets that can fit your Android or Apple smartphone. I have a college degree in fashion design and ten years of experience in the fashion industry***. I have launched one prior crowdfunding project in the fashion category and successfully achieved my funding goal.*** I believe together we can make this happen!	**7) Woman, Prior Failure, in Technology Category** Seeking $100 funding! You'll receive: Exclusive access to the Vibes BetaV1 app. ***Hi, my name is Mary, and I am a woman with a dream.*** My dream is to create a high-tech local entertainment search app that disrupts the current online search and review environment. Our app will do this by being the only geo-sensory based search engine using artificial intelligence (AI) to match your mood to help you decide on where to go. The app is compatible with Android and Apple smartphones. I have a college degree in computer science and ten years of experience in the tech industry. ***I have launched one prior crowdfunding project in the technology category, but I failed to achieve my funding goal.*** However, I believe together we can make this happen!	**8) Woman, Prior Success, in Technology Category** Seeking $100 funding! You'll receive: Exclusive access to the Vibes BetaV1 app. ***Hi, my name is Mary, and I am a woman with a dream***. My dream is to create a high-tech local entertainment search app that disrupts the current online search and review environment. Our app will do this by being the only geo-sensory based search engine using artificial intelligence (AI) to match your mood to help you decide on where to go. The app is compatible with Android and Apple smartphones. I have a college degree in computer science and ten years of experience in the tech industry. ***I have launched one prior crowdfunding project in the technology category and successfully achieved my funding goal.*** I believe together we can make this happen!

[a]Bold italics text indicates passages manipulated in the crowdfunding pitch to align with one of 8 conditions.

Table C2. Illustrative responses to Study 3 open-ended question

A failed project demonstrates to me that perhaps the person behind the project does not have the skills knowledge or passion to successfully complete it. However, some project categories are harder than others to break into, like tech or food.
Failed projects can demonstrate not only bad ideas and lack of innovation, but also a lack of business and managerial skills, if you weren't able to navigate what you needed to do to make the first project successful you need to explain why.
I am more likely to back someone who is successful. If I am backing the project, I want it to happen, and those that have a track record of reaching the goal are more likely to reach it again. Therefore, I am more likely to trust those entrepreneurs.
I am probably less likely to support funding if the previous project failed-especially if I have no details about why. I think the context matters. I am more likely to support an entrepreneur who failed previously in a tech project than fashion.
I consider prior failure as a huge risk when considering on investments.
I consider whether they failed partly because if I like the idea and feel sympathetic to them, I'm more likely to want to contribute to their latest project to help them get across the finish line.
I like to see previous pitches and try and see why they failed. I also like to use previous campaigns to see how much they've changed. Do they show signs of improvement or becoming more jaded?
I think it's important in terms of how much belief the general public has in the person's ideas and how well the person is able to present their projects to the investors.
I think previously failed projects can be used to infer their ability to manage their current project and deal with everything that comes with getting something off the ground, especially if it is in the same industry.
If an entrepreneur has prior failed projects, I think it makes sense to be more cautious about supporting their future projects. Although obviously failures happen for a variety of reasons, it's still a data point to take into consideration.