

# Dancing to Multiple Tunes: Establishing Legitimacy with First-Time and Repeat Backers in Crowdfunding Campaigns

Stephanie Weiss \*      Alexander Vossen†

This version: December 16, 2022

## Abstract

Using 14,108 crowdfunding campaigns with diverse topics from Kickstarter’s “on our radar” section, we examine three different mechanisms used to establish legitimacy and test their relative effectiveness in gathering support from first-time versus repeat backers: Suited narrative distinctiveness that aligns with backers’ expectations of novelty, endorsement from Kickstarter staff, and campaign leadership’s funding of other campaigns. While an endorsement from Kickstarter staff is more important for first-time backers, a campaign leadership’s funding of other campaigns is relevant only for repeat backers. The most pronounced differences between first-time and repeat backers exist in their evaluation of narrative distinctiveness, where campaigns face a dilemma: While a narrative that is distinct from *past campaigns* helps to attract repeat backers and to gather more resources, it simultaneously harms their efforts to attract first-time backers and subsequently grow the community. Those, in turn, can be attracted by narratives distinct from *live campaigns*, yet such narratives secure less funding. Our findings highlight and conceptualize the difference between first-time and repeat backers’ evaluative processes that are critical in determining the effectiveness of a campaign’s legitimization efforts and offer relevant insights into the trade-off between legitimizing and differentiating that entrepreneurs face when they seek funding from crowdfunding audiences. By not exclusively focusing on technology-based campaigns, our results also showcase how past findings on legitimacy in crowdfunding generalize to additional campaign topics, such as cultural and civic ones.

**Keywords:** Crowdfunding; Legitimacy; Distinctiveness

**JEL Codes:** M13, L26, L33

---

\*University of Siegen. Kohlbettstr.15. D-57072 Siegen. Email: [stephanie.weiss@uni-siegen.de](mailto:stephanie.weiss@uni-siegen.de)

†Corresponding Author. Tilburg University. Jheronimus Academy of Data Science (JADS). Sint Janssingel 92. 5211 DA 's-Hertogenbosch. Web: <https://www.tilburguniversity.edu/staff/a-vossen>. Email: [a.vossen@tilburguniversity.edu](mailto:a.vossen@tilburguniversity.edu)

# 1 Introduction

Engaging with online platform communities has become a strategically important way to appropriate essential resources for established firms and new ventures alike (Fisher, 2019; Murray et al., 2020). New ventures in particular must increasingly ask themselves how to best interact with users of these platforms—as good access to them can make the difference between a successful launch and a failure (Clough et al., 2019). Therefore, it is no surprise that crowdfunding as a method of seeking funding from a large audience or group of individuals (the “crowd”) for commercial, cultural, and even social entrepreneurial endeavors is becoming an increasingly popular phenomenon (Belleflamme et al., 2013).

With its move into the mainstream, both conceptual and empirical studies on what drives those many individuals who provide resources to crowdfunding campaigns—so-called backers—have risen in prominence (Butticè et al., 2017; Le Pendeven et al., 2022). Much of this work focuses on what drives backers of technology-based campaigns (Fisher et al., 2017; Tauscher et al., 2021). However, on the leading platform *Kickstarter* such campaigns account for only about ten percent of all launches (as of writing of this work) (Kickstarter, 2022b). Do these insights generalize to the other roughly ninety percent of campaigns that entail, among others, cultural and civic topics (Josefy et al., 2017; Logue and Grimes, 2022)?

More importantly, neither from technology-based nor other campaign topics, much is known about possible differences among backers. While existing studies provide much-needed insights on established crowdfunding community members—or so-called repeat backers—successful campaigns do also rely heavily on building and subsequently activating their own community to recruit them as first-time backers (Murray et al., 2020). Again, on *Kickstarter* only about a third of the overall crowd (as of the writing of this work) (Kickstarter, 2022b) funded more than one campaign and can be considered a repeat backer. Is what we know from past studies on these repeat backers also true for these large numbers of new first-time backers?

Our work intends to address both issues, testing past findings for a broader cross-section

of campaign topics and for differences between new and returning backers. To elaborate on these differences, we focus on how backers differ in evaluating a campaign’s legitimacy, which is a necessary prerequisite of resource provision (Fisher et al., 2017) and is defined as if a campaign is “desirable, proper, or appropriate within socially constructed system of norms, values, beliefs, and definitions” (Suchman, 1995, p.574). While campaigns can establish legitimacy with backers via the same legitimacy mechanisms used with other resource providers (Pahnke et al., 2015), backers differ in their interpretation of those based on their institutional “community logic” (Almandoz, 2014; Fisher et al., 2017). For example, both venture capitalists and backers interpret the storytelling in a narrative as part of the campaign’s identity, but venture capitalists perceive those as more legitimate that present themselves as competitively superior, while backers prefer those that highlight their contribution to the crowdfunding community (Nielsen and Binder, 2021).

Institutional logics, such as the community logic, are historical patterns of assumptions, values, and beliefs (Thornton and Ocasio, 1999), and it remains unclear to which extent these values and beliefs have formed in first-time backers whose focus is on the specific campaign rather than the broader platform community. Returning to the example above: Is it correct to assume that first-time backers prefer storytelling in narratives that highlights the value for a crowdfunding community of which they are not even a member (yet)? And even if so, is storytelling equally important for them as it is for repeat backers?

To offer a more fine-grained view on how campaigns establish legitimacy with both first-time and repeat backers, we argue along three important mechanisms used to establish legitimacy with crowdfunding backers (Fisher et al., 2017): Identity mechanisms that foster understanding and align with backers’ expectations of novelty and distinctiveness via narratives, associative mechanisms that indicate the endorsement of influential community actors, and organizational mechanisms that highlight campaign leadership’s compliance to expected community behavior. We test the relative importance of these mechanisms in attracting funding, repeat and first-time backers using data on 14,108 “on our radar” campaigns on

Kickstarter—an important cross-section of commercial, cultural, and civic campaigns. Replicating past research on technology-based campaigns (Fisher et al., 2017; Tauscher et al., 2021), we find that while all three legitimacy mechanisms have a similar, positive impact on the amount of funding raised, key differences prevail in their relative importance for repeat and first-time backers. For one thing, we find that receiving an endorsement from Kickstarter staff, and thus evidence that campaigns have been vetted by credible actors, has a positive effect on both repeat and first-time backers that is stronger for first-time backers. In a sign that the “in-group bias” associated with crowdfunding communities is at work (Fisher et al., 2017), we find that repeat backers value campaign leadership that is actively funding other campaigns. However, this has not any meaningful effect on first-time backers.

Repeat and first-time backers differ the most in their response to campaign narratives. Building on the notion that crowdfunding campaigns gain legitimacy through a distinct identity (Tauscher et al., 2021), we find that both repeat and first-time backers are attracted to campaigns whose narrative differs from other campaigns. However, both backers use different cognitive referents (Zhao and Glynn, 2022), as repeat backers favor narratives that are distinct from past, i.e, historical, campaigns, while first-time backers favor those distinct from live and thus contemporary campaigns (Chan et al., 2021). Campaign leaderships therefore face a dilemma: While a narrative distinct from past campaigns helps to attract repeat backers and more funding, it simultaneously harms their efforts to attract first-time backers. Making matters worse, catering to first-time backers’ preference for narratives that are distinct from live campaigns reduces overall funding.

Our study helps to bring together parts of prior literature on resource provision (Fisher et al., 2017; Murray et al., 2020) by conceptualizing how repeat and first-time backers differ in their reaction to campaigns’ efforts to establish legitimacy (Clough et al., 2019). We argue that both kinds of backers are not fundamentally different audiences but differ in the extent to which their values and beliefs have been shaped by gained experiences and enculturation as they progressed along their membership in the crowdfunding community.

By paying attention to the relative strengths of the legitimacy mechanisms, our work offers a more fine-grained perspective on the evaluative process of crowdfunding backers as investor audiences and their use of the meaning campaigns provide them for constructing legitimacy.

From a managerial perspective our findings help crowdfunding campaigns to acquire legitimacy, especially via a suited narrative. If the objective is to attract repeat backers, a campaign should highlight the novel contribution it provides to the community by highlighting how it differs from past campaigns (Taeuscher et al., 2021). While such a narrative may deliver more funding, it may prevent entrepreneurs from growing their own community—a trade-off relevant for serial entrepreneurs (Soublière and Gehman, 2020). As a consequence, crafting the right narrative to convey the campaign’s identity requires entrepreneurs to “dance to multiple tunes.”

## 2 Theoretical background

### 2.1 Establishing legitimacy in crowdfunding campaigns

*“As Kickstarter does not offer refunds, we encourage backers to investigate the project idea first, to vet the creator thoroughly, and to assess the inherent risk of the project for themselves before making a pledge.”*

(Kickstarter’s advice to backers)

Crowdfunding platforms encourage backers to thoroughly evaluate a crowdfunding campaign to verify its legitimacy, that is, whether it is both cognitively comprehensible and normatively appropriate or desirable (Suchman, 1995). Both aspects are of utter importance: While being cognitively comprehensible legitimates campaigns by facilitating the process of evaluation for backers, being normatively desirable legitimates campaigns by showing alignment with backers’ normative expectations. As the quote suggests, Kickstarter encourages backers to not limit this evaluation to a single aspect. In a comprehensive review (Fisher

et al., 2017), existing research broadly conceptualizes three major sources or mechanisms that new ventures in general, and crowdfunding campaigns in particular, can leverage to establish legitimacy with possible resource providers: Identity, associative, and organizational mechanisms.

Identity mechanisms are understood as cultural, claim-making tools such as narratives or visual representations that entrepreneurs can strategically use to communicate their core attributes. Through these identity claims, entrepreneurs can create meaningful claims on “who they are,” “what they do,” and “why they are doing it” (Navis and Glynn, 2011). The crowdfunding literature has shown that campaigns use textual descriptions (Mitra and Gilbert, 2014) or videos (Parhankangas and Renko, 2017) to explain backers why their idea is relevant and how it serves the community (Fisher et al., 2017). A narrative whose content is similar to those of other campaigns helps backers link it to what they know, making it easier for them to comprehend and evaluate the respective campaign (Navis and Glynn, 2011). High differentiation in this regard, on the other hand, does not provide backers with a cognitive anchor that supplies readily accessible meaning, but it can help a campaign stand out from the competition and meet the preferences of an audience that values creativity and novelty (Taeuscher et al., 2021).

Associative mechanisms create legitimacy by emphasizing connectedness to the broader ecosystem (Jacobides et al., 2018) and function through evaluative endorsement from influential community actors “who share, and even espouse important community values and ideals” (Fisher et al., 2017, p.60). In crowdfunding, campaigns benefit from being vetted and validated from recognized and undisputed members of the community, such as the platform operator (Calic and Mosakowski, 2016; Chan et al., 2020). These influential community actors emphasize with their endorsement the best-practice status of a campaign in terms of creativity, project clarity, and appeal (Kickstarter, 2022a). By emphasizing best-practice campaigns, endorsers play the role of “value ambassadors” through thoroughly vetting a campaign’s conformance to the norms, values, and ideals of the platform community (Butticè

et al., 2017). Thus, an endorsement by a recognized community actor legitimizes a campaign's activities and simplifies backers' evaluation process by giving them an indication of how promising a particular campaign is seen by important community actors (Mollick, 2014).

The use of organizational mechanisms creates legitimacy by emphasizing the role of organizational leadership and demonstrable success (Fisher et al., 2017). This mechanism works by highlighting professionalization through leadership (team) credibility (Cohen and Dean, 2005; Packalen, 2007) or by revealing key internal structures or milestones (Wiklund et al., 2010). In crowdfunding, campaigns accomplish this by highlighting their leadership(s)' connections to previous campaigns to bolster their in-group status and demonstrate "strong ties to, and membership in the community" (Fisher et al., 2017, p.60). Based on this "social engagement" or community activity by campaign leaderships (Zvilichovsky et al., 2013), backers tend to distinguish community outsiders from insiders. Because of the strong role of reciprocity in crowdfunding (Mitra and Gilbert, 2014), campaign leaderships who prove to be exceptionally good members through their strong engagement within the platform community (Zvilichovsky et al., 2013) are perceived favorably for their high sense of commitment to the community. Such behavior legitimizes a campaign leadership in the eyes of backers and improves a campaign's chances of success (Williams and Shepherd, 2021).

When leveraging identity, associative, and organizational mechanisms, crowdfunding campaigns must be careful to use them in a way that appeals to the institutional logic of backers in order to be perceived as legitimate (Fisher et al., 2017). Institutional logics are socially constructed, historical patterns of assumptions, values, and beliefs about "what is meaningful and appropriate in a setting" (Pahnke et al., 2015, p.597), providing decision-makers with guiding rules for "action, interaction, and interpretation" (Thornton and Ocasio, 1999, p.804). In crowdfunding, these assumptions, values, and beliefs center around shared values of and commitment to the crowdfunding community and the intention to advance the overall platform community (Almandoz, 2014; Fisher et al., 2017). This so-called "community logic" guides backers in their own actions, such as how to "act in their relationships with

others” (Pahnke et al., 2015, p.597) and in how to interpret others’ actions, such as cognitively comprehending their actions and constituting what can be considered as normatively desirable behavior. The current literature on community logic in crowdfunding assumes a homogeneously applied community logic among backers. However, the definition derived from institutional theory suggests that institutional logics, including community logic, are historically shaped and socially constructed, suggesting a dynamic evolution over the progression of a backer’s membership in the crowdfunding community, reflecting various past experiences and interactions, and different contexts (Mutch, 2021). How this influences the effectiveness of the three different mechanisms used to established legitimacy shall be the subject of the next section.

## 2.2 Differentiating between first-time and repeat backers

Although the recent literature on community logic in crowdfunding emphasizes that community logic is the logic of repeat backers who have contributed more than once to a campaign on the platform, they do account for only about a third of the crowd (as of the writing of this work) (Kickstarter, 2022b). Indeed, campaigns build their own relevant community by seeking funding from both repeat and first-time backers, so campaigns need to target both groups simultaneously and publicly (Burtch et al., 2016). First-time backers have never contributed to a campaign on the platform before (Murray et al., 2020) and engage initially because they are attracted to a focal campaign. For repeat backers this locus becomes somewhat de-centered, as they become committed to the ethos of crowdfunding and “buy” into crowdfunding itself by contributing to “collective memory making” (Ocasio et al., 2016, p.677) because of their greater past experiences and more frequent past interactions within the platform community.

Repeat backers experience and observe developments and changes within the crowdfunding community, which enables them to recognize trends and constantly reshape their expectations (Parhankangas and Renko, 2017). Because they have supported multiple cam-



Level of analysis	Repeat backers	First-time backers
<b>Community logic</b> <i>Pattern of values and beliefs</i> - Historically shaped <i>(through past experiences)</i>  - Socially constructed <i>(through past interactions)</i>	From evaluating multiple campaigns in the past  From interacting with backers and creators across multiple campaigns	From funding single campaign in the presence  From interacting with backers and creators centered on activity of one campaign
<b>Legitimacy evaluation</b> <i>Importance of the campaign's</i> - Identity mechanism <i>(Narrative distinctiveness)</i>  - Associative mechanism <i>(Kickstarter endorsement)</i>  - Organizational mechanism <i>(Status as community insider)</i>	Appreciate distinctiveness from past campaigns  Less important, can substitute endorsement with own platform experience  More important, ensures that leadership has appreciated insider status	Appreciate distinctiveness from live campaigns  More important, cannot substitute endorsement due to lack of platform understanding  Less important, have no specific preferences for community insiders due to own outsider status

Table 1: Key differences in legitimacy evaluation between repeat and first-time backers

paings on the platform in the past, they more frequently interacted with campaign creators and other backers. First-time backers' social interactions, on the other hand, are restricted to backers from the same campaign and they lack past experiences with other backers and campaign creators. This raises the question of the extent to which different legitimacy mechanisms work for either repeat or first-time backers whose values and beliefs have been shaped differently by experience and interactions as they progress along their membership in the crowdfunding community (Thornton and Ocasio, 1999). In the following, we discuss how these differences affect backers both cognitively and normatively in their legitimacy evaluations. Table 1 summarizes this discussion of the key commonalities and differences between repeat and first-time backers in terms of their community logic and legitimacy evaluation.

We propose that repeat and first-time backers are the most similar in their reaction to associative mechanisms. Associative mechanisms, defined as endorsements by influential community actors, such as the Kickstarter staff, showcase that a campaign is normatively

desirable (Packalen, 2007), but also cognitively comprehensible (Calic and Mosakowski, 2016; Courtney et al., 2017). By definition, endorsements on Kickstarter are granted when a campaign shows commitment to Kickstarter’s core normative goal of fostering creative projects and also provides a “clear and detailed description” (Kickstarter, 2022a) on how to achieve that commitment. A campaign presented in such an accessible and comprehensible way makes it easier for backers to evaluate it. As repeat backers know from past experiences with the platform about its norms and values and how difficult it is for a campaign to receive endorsements by Kickstarter staff, they can value those appropriately. Although endorsements are of course normatively important to repeat backers, they are less comprehensively relevant because past experience gained by repeat backers over the course of their community membership enables them to evaluate campaign content more independently.

For first-time backers, in contrast, such endorsements are more important as they are relevant for both evaluation and understanding. First-time backers learn to understand the norms and values of the platform by trusting the assessment of influential community actors (Murray et al., 2020). Thus, similar to repeat backers, they share the need for the normative desirability the endorsement guarantees. Unlike repeat backers, however, first-time backers lack past experience on the platform that helps to comprehend campaigns. This renders endorsements more important to them as an endorsement from an influential community actor is a clear indication of a high-quality campaign (Soublière and Gehman, 2020). Due to the additional, comprehensive importance for first-time backers, we argue endorsements have a stronger positive effect on first-time backers than repeat backers. Thus,

**Hypothesis 1:** *The effect of receiving a Kickstarter staff endorsement is stronger for first-time than for repeat backers.*

We postulate that repeat and first-time backers are less similar in their reaction to organizational mechanisms, such as expected community behavior by campaign leadership. To both normatively evaluate and cognitively comprehend campaign leadership behavior, it is necessary to be knowledgeable about the community—or, more preferably, be a community

insider (Fisher et al., 2017). Repeat backers earn such insider status within the community mostly through their past interactions on the platform across multiple campaigns. Given the commonly assumed in-group bias (Brewer, 1999), repeat backers evaluate campaign leadership as more legitimate who they believe have a deeper sense of commitment (Bateman et al., 2011) through increased engagement and social participation (Zvilichovsky et al., 2013) and excel at creating a shared sense of community (Block et al., 2018). As a result, returning backers value the behavior of campaign leaderships who play both sides of the market—through their dual roles as backer and campaign leaders—as normatively desirable. Such behavior ensures the platform’s continued existence by placing supportable campaigns and satisfying the platform’s requirement for reciprocal behavior (Mittra and Gilbert, 2014).

Unlike repeat backers, first-time backers have not yet actively participated in the community and thus may be considered community outsiders, making them less likely to both normatively evaluate and cognitively comprehend the desirability of campaign leadership behavior. First-time backers are less inclined to show an in-group bias, as they are not a community insider themselves (Brewer, 1999). Although, first-time backers are generally able to match campaign leadership activity in supporting others with social characteristics (Zvilichovsky et al., 2013), it will be difficult for them to cognitively comprehend what behavior distinguishes normal from exemplary community insider behavior. While naturally first-time backers should have no objection to campaign leaderships engaging with the community, we believe that both factors make them less likely to rely on such information when evaluating campaigns. Therefore, we hypothesize campaign leaderships’ community insider status to be more relevant for repeat than first-time backers. Hence,

**Hypothesis 2:** *The effect of desirable campaign leadership behaviors is stronger for repeat than for first-time backers.*

We propose that repeat and first-time backers differ the most in their evaluation of campaign identities communicated through narratives. The cultural entrepreneurship literature has shown that cultural tools which strongly resemble prototypical identities of the market

category in which an entrepreneur operates, facilitate audiences' evaluation by activating familiar cognitive templates (Pan et al., 2020). Through institutional classification, activating such familiar templates accesses meanings that would otherwise be incomprehensible (Glynn and Navis, 2013). Deviating from one's market category in these identity claims can, however, also trigger interest in novelty and may be normatively desirable, since claims that are too conventional can be perceived as not entrepreneurial enough (Vossen and Ihl, 2020).

Particularly in a crowdfunding setting, expressing high novelty through a distinct campaign narrative has proven to garner legitimacy. Distinctiveness increases a campaign's expressive value (Chan et al., 2021), emphasizing its uniqueness. Perceiving a campaign as unique appeals to backers who can be deemed a novelty-expecting audience for whom the "competitive and normative benefits of distinctiveness exceed the potential cognitive liabilities of distinctiveness" (Taeuscher et al., 2021, p.153). However, evaluating cultural tools and their distinctiveness is often subject to different benchmarks and dynamics, as well as time-contingent (Zhao and Glynn, 2022). Thus, campaigns can be distinct not only from their "historical ancestors" such as past campaigns that aired before them, but also from their contemporaries such as other live campaigns seeking funding at the same time (Chan et al., 2021).

We assume that first-time and repeat backers differ in the cognitive referents they use and thus in their preference for distinctiveness regarding past and live campaigns. Repeat backers deem a campaign narrative desirable that differs in meaning from other narratives they have encountered in the past and that meets their expectations for novelty (Navis and Glynn, 2011; Parhankangas and Renko, 2017). As such, they do not require conformance, because repeat backers can also comprehend a focal campaign by using existing familiar cognitive templates (Navis and Glynn, 2011) derived from more frequent social interactions and experience with campaigns. Their knowledge from past experiences and interactions on the platform also renders their approach to distinctiveness more "anchored" (Chan et al., 2021) and their funding decision less reliant on contemporary live campaigns. Repeat backers also feel much

more familiar with institutional practices and can rely on that when contrasting a new campaign against the status quo of past campaigns (Zhao and Glynn, 2022). This effect of distinctiveness from past campaigns may therefore be much stronger for repeat than for first-time backers, which may still rely on a degree of conformance to past campaigns to foster their campaign comprehension and understanding (Glynn and Navis, 2013).

We propose that first-time backers, in contrast, may put a strong emphasis on distinctiveness from live, contemporary campaigns. First-time backers' past experiences result from lurking activities (Malinen, 2015), which also limits their ability to comprehend a focal campaign's novelty and uniqueness, as well as compare it to past campaigns. This lack of knowledge could be overcome if first-time backers educate themselves and carefully study past campaigns. However, we deem this unlikely as the sheer volume of past campaigns could act as a deterrent and there is no incentive for first-time backers to engage with campaigns that have already run and whose outcome they can no longer influence.

As the evaluation of identity claims always includes the weighing of decision alternatives (Durand and Haans, 2022; Haans, 2019), we propose that first-time backers find these in live, contemporary campaigns, which are not only a much more manageable number of alternatives to consider, but also alternatives where first-time backers' support could still have an impact. We therefore expect first-time backers to perceive a focal campaign as more legitimate whose narrative is different in meaning from live campaigns and thus perceived by them as special and distinct (Chan et al., 2021). In this regard, distinctiveness of live campaigns is also more important for first-time than for repeat backers, who possess the needed knowledge on past campaigns and do not need to rely on contemporary campaigns to determine a campaign's narrative distinctiveness.

Therefore, we propose that both types of backers differ in the cognitive referents they use to evaluate a campaign narrative. Repeat backers favor narratives that are distinct from past campaigns and match their normative expectations of novelty and distinctiveness (Vossen and Ihl, 2020). Because repeat backers can use their past experiences gained over the course

of their community membership as a reference, they do not necessarily need to consider live campaigns. First-time backers, on the other hand, prefer narratives that are different from other contemporary live campaigns, as these are displayed more prominently on the platform than older campaigns and thus form a more quickly grasped reference level. This leads us to the following hypothesis,

**Hypothesis 3:** *The effect of a narrative that is distinct from past (live) campaigns is stronger for repeat (first-time) backers.*

## 3 Empirical analysis

### 3.1 Sample and data collection

As a data source, we consider the crowdfunding platform Kickstarter in this study, as it provides not only insights into the overall number of attracted backers to a campaign, but also distinguishes between the number of attracted repeat and first-time backers. To double-check our assumptions on legitimacy mechanisms, we contacted 10 backers and 10 creators via the Kickstarter messaging system to get some initial impressions and gather qualitative insights to inform our analysis. On Kickstarter, backers can pledge to campaigns from various categories in return for a non-monetary reward. To improve the chance to be discovered by backers, it is mandatory for campaign leaderships to assign their campaign to one of Kickstarter’s primary categories and optionally select one of the primary subcategories. Additionally, campaign leaderships can notify Kickstarter of their intent to be listed in the platform’s “on our radar” section. Kickstarter’s “on our radar” section hosts 13 different tag groups<sup>1</sup>, which represent very important trend groups identified by the community or Kickstarter staff. Kickstarter individually checks each application and allows the tag to be

---

<sup>1</sup>The 13 tag groups include the following tags: Affordable art, bikes, diy (do-it-yourself), environmental, for kids, lqbtqia+, magic & divination, public benefit, robots, rpgs (role-playing games), sci-fi and fantasy, stem (projects encouraging youngsters to develop interest in science, technology, engineering, or mathematics subjects), zine quest (magazines featuring rpg-related content) (as of: November 2022).

assigned only if the check is satisfactory. Unlike traditional categorization, tags allow for a more thematic subdivision of campaigns by grouping together campaigns that share a common philosophy, subject matter, or theme (Kickstarter, 2013).

To exemplify this tag-based grouping, consider the tag group “Environmental,” in which campaigns are grouped that share a common passion for sustainability. Because of the many ways through which a campaign can incorporate sustainability considerations, campaigns tagged as environmental can be very heterogeneous and often span multiple primary categories and subcategories of Kickstarter’s classical categorization system. While an environmental campaign might pursue to manufacture sustainable sandals made from 100 percent recycled tires and thus be tied to the main category “fashion” and the subcategory “footwear,” a campaign pitching solar-powered cell phone chargers would also appear in the same tag group due to its sustainable nature although from a classical categorization perspective its main category “technology” and the subcategory “gadgets” would not coincide with the categories of the sustainable sandals.

To build our data set, we therefore collected information on all campaigns in all tag groups in Kickstarter’s “on our radar section.” By doing so, we focus on a subset of campaigns that we deem suited due to multiple reasons. First, the “on our radar” section ensures that all campaigns in our sample have been vetted to have relevance for both Kickstarter and its community. Secondly, the focus on tags ensures that the subset of campaigns we chose is not limited to a single category, but campaigns are both comparable and sufficiently different from each other. This cross-categorical setting allows us to further test the generalizability of findings from technology-based campaigns (Taeuscher et al., 2021) to broader, more diverse campaign topics that entail cultural and civic topics (Josefy et al., 2017; Logue and Grimes, 2022).<sup>2</sup>

---

<sup>2</sup>Next to the theoretical arguments provided above, we also took empirical steps to test the appropriateness and suitability of the “on our radar” campaigns. First, we checked that the “on our radar” section contains campaigns from all main categories, which it does. Then, we compared the relative category prominence to the Kickstarter totals. Some differences are notable, as, for example, games and art campaigns are more strongly represented, film and music campaigns are less prominent, and technology-based or publishing campaigns are more or less equally represented. Intuitively, the “on our radar” campaigns are more

The campaigns published in this subset cover a period from June 2009 to January 2022. From this data set, we excluded 49 campaigns which were still running at the time of data collection. We also excluded 275 campaigns which had most of their narrative embedded in pictures by manually examining all narratives with less than 200 words (which we classified as a low word count (Soublière and Gehman, 2020)). Due to methodological reasons related to analyzing the narrative, we also dropped 93 non-English campaigns. To identify those campaign narratives which were not available in English, we used a language detection tool from *Python’s nltk* package and calculated for 23 different languages the probability to be part of a campaign’s narrative. We then manually checked those campaign narratives which did not have English as highest probability score and checked those which had English as major language but also had an up to 40 percent lower probability for a second language. We also excluded 16 campaigns from our data set that had been canceled and had no narrative.

This left us with 15,319 campaigns that we used for the compilation of our narrative distinctiveness measures. We later also excluded 936 campaigns that did not provide data on how many first-time and repeat backers contributed to their campaign. Nevertheless, because these campaigns represented real competition for campaigns that had run, we included them in the calculation of our competition measures and dropped them afterwards. Our final sample consists of 14,108 unique campaigns. When a campaign appears in more than one tag group, we averaged its competitive measures. For example, a game that introduces children to programming is listed in both the “For Kids” and the “Stem” tag group as it thematically fits both tag groups, making the game compete with other campaigns from these both tag groups. Therefore, we averaged the measures derived from both tag groups.

---

successful than the overall average, as by definition only those campaigns are included by Kickstarter that are compelling in their rigor and relevance for the platform. However, as we collect information on all “on our radar” campaigns and only compare them with themselves, we deem this not overly troublesome for the interpretation of our results. Second, and more importantly, Models 1-6 in Table 5 intend to replicate existing research on campaign legitimacy from both an early full sample from Kickstarter (Soublière and Gehman, 2020) and a sample of technology-based campaigns only (Taeuscher et al., 2021). As the results are comparable, we would deem this an additional indication of the appropriateness of our sampling approach.



## 3.2 Dependent variables

Our main dependent variables are *repeat backers*, *first-time backers*, and *amount of funding pledged*. We collected the total number of repeat and first-time backers a campaign attracted from the campaign websites. Both variables consist of non-negative integers. We also measure a campaign’s funding success, using the logged total amount of funding pledged to a campaign after it ended (Calic and Mosakowski, 2016; Soublière and Gehman, 2020). To allow for cross-country comparisons, we converted all currencies to U.S. dollars based on the exchange rates at the time a campaign ended. Since Kickstarter is based on an “all-or-nothing” principle, the funds raised is only paid out to campaigns that were able to reach their funding goal. This means that if the funding goal is not reached after the campaign period, the campaign leadership will not receive any funding. As our goal is to identify the extent to which campaigns are able to attract backers regardless of their funding success, recoding those campaigns that failed to meet their funding goal to 0 would equate them with campaigns that were not able to attract any backers at all, introducing possible bias in our analysis. Hence, we included campaigns regardless of their ultimate funding success, but also introduced a dummy variable that controls for whether a campaign failed or not.

## 3.3 Independent variables

Our three key independent variables representing the three different legitimacy mechanisms are *staff pick* (associative mechanism), *community insider* (organizational mechanism), *past narrative distinctiveness* and *live narrative distinctiveness* (identity mechanism). Previous studies have shown that the legitimacy of a campaign is increased when the campaign is “associated with, or endorsed by a prominent community member” (Fisher et al., 2017, p.60). We argue that Kickstarter’s staff, as platform host, is a prominent member of the overall Kickstarter community and can therefore help a campaign appear more legitimate through showing their evaluative approval for a campaign by their endorsement. According to Kickstarter, endorsed and thus legitimized campaigns are well-designed campaigns that are

described clearly and in detail and presented in an engaging, creative manner (Kickstarter, 2022a). Consistent with previous studies that measured evaluative endorsement based on third-party endorsement as a dichotomous variable (Mitra and Gilbert, 2014; Mollick, 2014), we operationalized the variable *staff pick* with a dummy variable indicating whether or not Kickstarter endorsed a campaign  $i$  (Taeuscher et al., 2021).

Prior literature has also shown that backers deem campaigns more legitimate if their leadership has “actively participated in the community in the past” and can thus be perceived as a “community insider” (Fisher et al., 2017, p.60). To operationalize the variable *community insider*, we counted the number of campaigns supported by the campaign leadership, as of the time of data collection, and logged it.

A recent study has demonstrated that backers consider campaigns that construct a distinct narrative to be legitimate (Taeuscher et al., 2021). The literature on optimal distinctiveness has also shown that distinctiveness can be evaluated based on different reference levels (Chan et al., 2021). In our study, we analyze how past and live campaigns as two different reference levels impact the legitimacy evaluation of the identity mechanism by repeat and first-time backers. To operationalize the variables *past narrative distinctiveness* and *live narrative distinctiveness*, we examined the textual narratives presented in a campaign’s story section, and compared their similarity using “word embeddings” (Vossen and Ihl, 2020). Each text document, in our case the textual campaign narrative, was translated into a numeric vector representation with the help of a machine learning-based algorithm from natural language processing called “doc2vec” or “paragraph vector” (Le and Mikolov, 2014). doc2vec is a machine learning algorithm from natural language processing that builds on “word2vec” and follows the so-called distributional hypothesis: Words that appear close to the same words and therefore in a similar context have a similar meaning. In this way, we can measure similarity between campaign narratives even in cases in which campaign leaderships use different terms to describe the same campaign aspect (Vossen and Ihl, 2020). For example, campaign one may refer to “team,” while campaign two may refer to “staff”

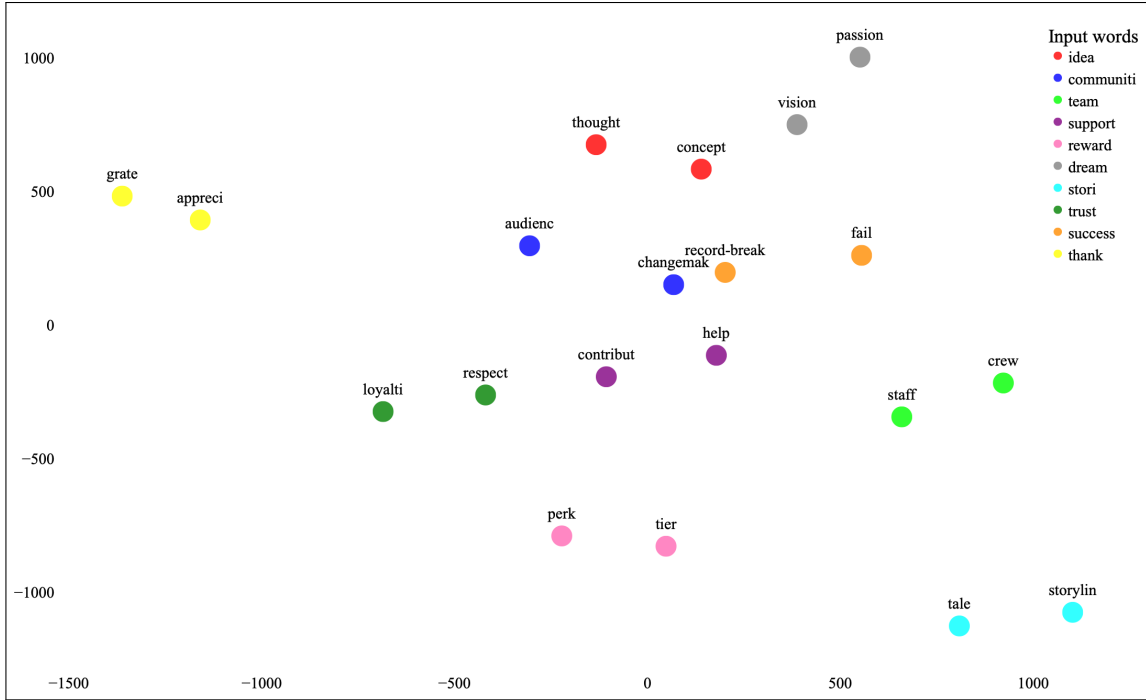


Figure 1: t-SNE of word2vec word embeddings—ten sample words and their two words most similar in meaning (words are stemmed)

and campaign three to “crew.” All words are distinct (and would be measured as such by more traditional text analysis), but since they likely appear in a similar word context (close to the same other words), they also share a similar meaning that the algorithm is able to measure. We preprocessed all textual data by tokenizing, filtering for stop words, excluding punctuation and special characters as well as word frequencies below five, and stemming the corpus. With this preprocessed corpus, we trained the algorithm to detect semantic relations across Kickstarter campaign narratives. We set 100 dimensions for the word embeddings and specified four words for the local context window in order to prevent overfitting (Kaminski and Hopp, 2020).

To exemplify the logic underlying the word embedding vectors of Kickstarter campaigns in tag groups, we used a t-distributed stochastic neighbor embedding (t-SNE) (van der Maaten and Hinton, 2008). T-SNE maps words with similar meaning close to each other, while dissimilar words show a greater distance. This statistical method for visualizing high-dimensional data uses a non-linear dimensionality reduction technique and allows us to

visualize the 100 dimensions of the word embedding vector spaces for the campaign narratives in a more intuitively interpretable two-dimensional space. [Figure 1](#) shows ten sample input words of our training data set and the two words that are used in the most similar meaning context for each of these input words. As can be seen in [Figure 1](#), the two words most similar in meaning to, e.g., the word “community” are “audience” and “changemaker.” Not only can we represent clusters of similar word meanings, but we can also see how far the meanings of these clusters diverge from each other. In the concrete example shown, this means that the meaning contexts associated with the input words “community” and “support” are more similar since they are closer within the two-dimensional vector space than, e.g., the meaning contexts associated with the input words “community” and “story.”

Knowing these underlying word embeddings allowed us to test our trained model with the 15,319 Kickstarter narratives by measuring the distance between the embedding vector  $f$  of a tagged Kickstarter campaign  $i$  and the embedding vector of a past (live) Kickstarter campaign from a tag group  $j$  for all dimensions  $w$  via cosine similarity provided by *Python’s Gensim* package. This results in the following equation:

$$Narrative\ similarity_{ij} = \left[ \frac{\sum_{w=1}^W f_{iw} f_{jw}}{\sqrt{(\sum_{w=1}^W f_{iw}^2)} \cdot \sqrt{(\sum_{w=1}^W f_{jw}^2)}} \right] \quad (1)$$

Finally, we averaged all the comparisons and computed the inverse cosine similarity.

$$Narrative\ distinctiveness_{ij} = 1 - \frac{\sum_{j=1, j \neq i}^N Narrative\ similarity_{ij}}{N}, \quad (2)$$

where  $N$  is the total number of campaigns  $j$ <sup>3</sup>. [Figure 2](#) visualizes the document embeddings of the 15,319 textual campaign narratives of our data set in the vector space clustered by their tag group. Neighboring tag group clusters in [Figure 2](#), are more similar in the meaning they use in their textual campaign narratives than tag group clusters. The textual campaign

---

<sup>3</sup>Following the argument that campaigns actually gain legitimacy by being distinct rather than losing it ([Taeuscher et al., 2021](#)), we perceive the effect of distinctiveness of performance linearly and not as a multiplicative effect ([Bu et al., 2022](#); [Chan et al., 2021](#)).

narratives in the tag group “RPGs,” e.g., are in general more similar to the meaning used by textual campaign narratives in the tag groups “Zine Quest” and “Sci-Fi and Fantasy” than to those from the tag groups “Environmental” and “Bikes.”

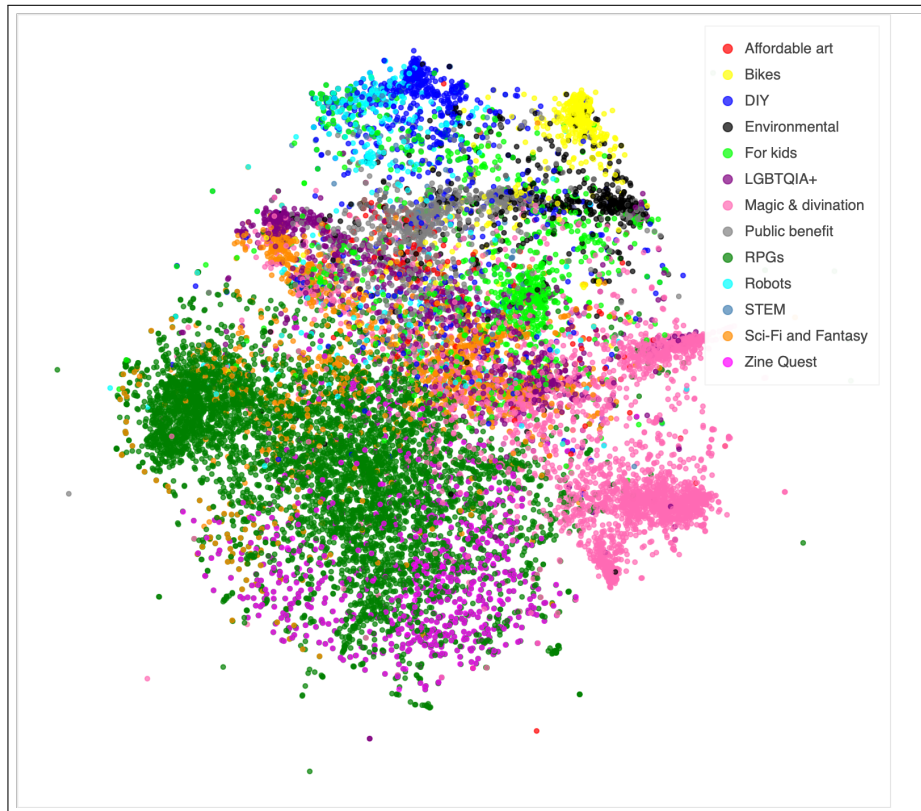


Figure 2: t-SNE of doc2vec embeddings of campaigns across tags

### 3.4 Control variables

Consistent with prior work (Soublière and Gehman, 2020), we controlled for campaign-, category-, and platform-level variables. As a high funding goal has been shown to negatively affect crowdfunding success (Calic and Mosakowski, 2016; Mollick, 2014), we included the logged *funding goal* as one control variable. We also accounted for whether a campaign was *updated* during its launch (No=0, Yes=1), as updates signal preparedness and interaction between campaign leaderships and backers, and therefore have a positive effect on crowdfunding success (Chan et al., 2020; Mitra and Gilbert, 2014). In addition, narrative length and

the presence of a *video* signal preparedness and mitigate informational asymmetries (Moss et al., 2018)—a reason why we additionally controlled for *low word count* campaigns with fewer than 200 words (No=0, Yes=1) (Soublière and Gehman, 2020) and available video information (No=0, Yes=1). Furthermore, campaign leaderships who are familiar with setting up crowdfunding campaigns are also associated with being well prepared and are engaged in a platform-internal social network (Butticè et al., 2017; Skirnevskiy et al., 2017). Since this has been found to decrease insecurities for backers and to result in a higher likelihood of crowdfunding success (Cholakova and Clarysse, 2015), we created a dummy indicating whether a campaign leadership is a first-time (=0) or a serial creator (=1) of a tag group-related campaign. We also controlled for the gender of the primary campaign creator (Gafni et al., 2021; Greenberg and Mollick, 2017; Johnson et al., 2018).

Measuring the impact of gender on campaign success is generally quite difficult, as some work in teams or self-identify as queer or non-binary. We therefore decided to limit ourselves to determining the gender of the main campaign creator whose identity profile is linked to the campaign. To determine the gender of the main campaign creator, we used *Python's gender\_guesser* package. A test trial on a subset of 509 observations from our data set yielded 89.8 percent accuracy for the *gender\_guesser* package. The *gender\_guesser* package subdivides gender determination into male, female, predominantly male, predominantly female, androgynous, or name could not be found. We manually checked the names that were determined to be predominantly male and predominantly female. Campaign leaderships that identified themselves as queer among these were classified as “other”, as were androgynous or undeterminable name results. Our operationalization thus yielded a categorical variable for gender (0=male, 1=female, 2=other).

As time period effects have been found to impact crowdfunding success (Calic and Mosakowski, 2016; Mollick, 2014), we controlled for *campaign duration* and *tag age*. Since the tag groups have been launched on different points in time, the latter measures the period in days between the introduction of a specific tag and a campaign’s launch date, accounting

Variable	Variable description
<b>Dependent variables</b>	
Amount pledged	Total sum pledged (USD, log) by a campaign $i$
Repeat backers	No. of repeat backers a campaign $i$ attracted
First-time backers	No. of first-time backers a campaign $i$ attracted
<b>Independent variables</b>	
Staff pick	Dummy indicating whether or not Kickstarter’s staff endorsed a campaign $i$ (0=No, 1=Yes)
Community insider	No. of campaigns supported by the main creator $w$ of a campaign $i$ (log)
Past narrative distinctiveness	1-average of cosine similarities between the document vector of a campaign $i$ and the document vectors of all older campaigns in all tag groups
Live narrative distinctiveness	1-average of cosine similarities between the document vector of a campaign $i$ and the document vectors of all live campaigns in all tag groups
<b>Campaign-level controls</b>	
Funding goal	Own funding goal of a campaign $i$ (USD, log)
Updated	Dummy indicating whether or not a campaign $i$ made any updates during launch (0=No, 1=Yes)
Failed	Dummy indicating whether or not a campaign $i$ failed to reach its funding goal (0=No, 1=Yes)
Low word count	Dummy indicating whether or not a campaign $i$ ’s narrative has fewer than 200 words (0=No, 1=Yes)
Prior experience	Dummy indicating whether or not a creator $w$ of a campaign $i$ is a serial creator of tagged campaigns (0=No, 1=Yes)
Canceled	Dummy indicating whether or not a campaign $i$ was canceled before it reached its duration end (0=No, 1=Yes)
Campaign duration	No. of days, possibly up to 60 days, that a campaign $i$ was open for pledges (log)
Tag age	Time period in days between the introduction of a tag group $g$ and a campaign $i$ ’s launch date (log)
Video	Dummy indicating whether or not a campaign $i$ provides video information (0=No, 1=Yes)
Gender	Categorical variable of a campaign creator $w$ ’s gender (1=female,2=male,3=other)
Country	Categorical variable of campaign origin $i$
<b>Category-level controls</b>	
Tag concurrent launches	Number of concurrent launches in the first week of a campaign $i$ in its relevant tag group $g$
Tag prior performance	Log of the average amount successfully raised in the preceding 90 days of the tag group $g$ of a campaign $i$
Tag maturity	Cumulative number of unique individuals who had contributed to a tag group $g$ prior to a campaign $i$ ’s launch (log)
Tag growth	Cumulative number of unique campaigns that had been launched in a tag group $g$ prior to a campaign $i$ ’s launch
<b>Platform-level controls</b>	
Season	Categorical variable of the season in which a campaign $i$ was launched (1-4=spring-winter)
Weekday	Categorical variable of they day on which a campaign $i$ was launched (1-7=Monday-Sunday)

Table 2: Variable descriptions

for increased tag popularity over time. We log transformed both variables. We also controlled for whether or not a campaign was canceled prior to its official ending date. Prior literature has also observed that certain regions, such as Silicon Valley, can have a positive impact on crowdfunding success, since a certain performance and quality are associated with that region (Mollick, 2014). We control for a campaign’s origin (*country control variable*) to account for these geography-related effects on crowdfunding success.

Due to the importance of the first week of a campaign in mobilizing backers, we controlled for *tag concurrent launches* which is the number of campaigns competing during this time in the same tag group of a focal campaign. We also controlled for the average *tag prior performance* of the tag group by calculating the logarithm of the average amount successfully raised for each day in the previous 90 days (Soublière and Gehman, 2020). To control for the *tag maturity* in terms of activity, we calculated the “day-by-day total number of all backers who had pledged their support to each category” (Soublière and Gehman, 2020, p.483). We also controlled for *tag growth* by counting the cumulative number of unique campaigns in a specific tag group that were launched prior to a focal campaign in the same tag group.

Backer activity on Kickstarter is subject to seasonal fluctuation, evidenced by systematically lower values in winter and on weekends and higher values during the rest of the year and in the middle of the week. We accounted for these *season-specific* and *day-of-the-week* effects on crowdfunding success by creating a dummy for each of the four seasons (1-4=spring-winter) and each of the seven days of the week (1-7=Monday-Sunday) (Soublière and Gehman, 2020). Table 2 summarizes all variables used and their measurement.

## 4 Results

Table 3 and Table 4 show the descriptive statistics and correlations of all variables. We conducted all statistical analyses with the free statistics software R and with Stata 17. As *first-time* and *repeat backers* are both non-negative integers, we used a negative binomial



model for the regression analyses to account for overdispersion (Cameron and Trivedi, 1990).<sup>4</sup> We also used robust standard errors to account for heteroscedasticity. Table 5 reports the results of the linear multiple regression with the amount pledged as dependent variable and the negative binomial regressions with first-time and repeat backers as dependent count variables. Model 1, 7, and 13 represent the baseline models. Model 6, 12, and 18 in Table 5 show the full models including all independent variables. The remaining models assess the direct effects of *staff pick*, *community insider*, *past narrative distinctiveness*, and *live narrative distinctiveness*, on the *amount pledged* and on a campaign’s ability to enlist *repeat* or *first-time backers*.

In line with our expectations, a significant positive direct effect of *staff pick* can be found on the amount pledged and both first-time as well as repeat backers. This lends support to our Hypothesis 1. We also find a positive direct effect of *community insider* on the amount pledged and the number of repeat backers but not on the number of first-time backers. The coefficient for *community insider* in Model 14 is negative and not statistically significant ( $p < 0.883$ ). This lends initial support to Hypothesis 2. Model 10, 11, 16, and 17 test Hypothesis 3, which postulates the legitimating effect of *past narrative distinctiveness* and *live narrative distinctiveness* on a campaign’s ability to enlist *repeat* or *first-time backers*. Model 10 shows a positive and highly significant direct effect for *past narrative distinctiveness* on a campaign’s ability to enlist *repeat backers*. Model 16, in contrast, shows a negative and highly significant direct effect for *past narrative distinctiveness* on a campaign’s ability to enlist *first-time backers*.

The coefficient of *live narrative distinctiveness* in Model 11 is positive but not statistically significant. Whereas the coefficient of *live narrative distinctiveness* in Model 17 is positive and highly significant. This lends support to Hypothesis 3, indicating that deviating from past campaign narratives has a positive legitimating effect on repeat and deviating from live campaign narratives has a positive legitimating effect on first-time backers.

---

<sup>4</sup>See O’Hara and Kotze (2010) on why such an approach should be favored over a log-transformed DV.

Variables	Mean	St. Dev.	1	2	3	4	5	6	7	8	9	10	11	12	13
<b>Dependent variables</b>															
1. Amount pledged (Log)	9.09	1.65													
2. Repeat backers	434.97	1,494.15	0.43												
3. First-time backers	104.08	663.47	0.29	0.75											
<b>Independent variables</b>															
4. Staff pick	0.44	0.50	0.35	0.12	0.10										
5. Community insider	40.35	97.78	0.03	0.06	-0.02	-0.06									
6. Past narrative distinctiveness	0.88	0.02	-0.06	0.03	-0.05	-0.17	0.19								
7. Live narrative distinctiveness	0.87	0.03	0.04	0.05	0.01	0.02	0.07	0.38							
<b>Control variables</b>															
8. Funding goal (Dollar, log)	8.61	1.70	0.58	0.23	0.19	0.31	-0.14	-0.23	0.06						
9. Updated (0=No, 1=Yes)	0.97	0.18	0.21	0.05	0.02	0.05	0.07	0.07	-0.01	-0.04					
10. Failed (0=No, 1=Yes)	0.14	0.35	-0.33	-0.10	-0.05	-0.09	-0.11	-0.11	0.00	0.21	-0.29				
11. Low word count (<200 words)	0.03	0.18	-0.15	-0.04	-0.02	-0.05	-0.04	-0.04	-0.03	-0.12	-0.08	0.02			
12. Prior experience (0=No, 1=Yes)	0.72	2.22	0.09	0.09	-0.02	-0.09	0.34	0.15	0.06	-0.08	0.05	-0.11	-0.03		
13. Canceled (0=No, 1=Yes)	0.05	0.21	-0.13	-0.05	-0.03	-0.06	-0.04	-0.04	0.00	0.15	-0.04	-0.09	0.01	-0.03	
14. Campaign duration (Days, log)	3.40	0.35	0.17	0.02	0.05	0.13	-0.20	-0.20	0.13	0.37	-0.06	0.14	-0.01	-0.22	0.07
15. Tag age (Days, log)	7.73	0.55	0.06	0.04	-0.02	-0.10	0.05	0.35	-0.02	-0.08	0.04	-0.06	-0.04	0.18	0.02
16. Video (0=No, 1=Yes)	0.76	0.43	0.25	0.07	0.07	0.26	-0.11	-0.16	0.17	0.40	0.00	0.07	-0.08	-0.10	0.04
17. Gender	1.95	0.64	-0.02	0.03	0.02	-0.04	0.01	-0.07	0.11	0.15	-0.06	0.19	-0.01	-0.01	0.14
18. Country	20.51	7.64	0.03	0.02	0.01	0.04	0.08	-0.04	0.06	0.03	0.00	-0.01	0.01	0.05	-0.02
19. Tag concurrent launches	17.89	26.68	-0.17	0.00	-0.04	-0.26	0.13	0.27	-0.30	-0.29	0.03	-0.05	-0.02	0.12	-0.01
20. Tag prior performance (Log)	10.17	0.93	0.19	0.06	0.03	0.12	-0.02	-0.04	0.09	0.18	0.01	0.02	-0.05	0.02	0.03
21. Tag maturity (Log)	83.31	94.57	-0.10	0.08	-0.03	-0.33	0.20	0.36	0.12	-0.20	0.03	0.00	-0.06	0.32	0.06
22. Tag activity	1,558.57	1,507.83	-0.10	0.07	-0.04	-0.33	0.18	0.37	0.01	-0.23	0.03	-0.02	-0.04	0.31	0.05
23. Season	2.52	1.13	-0.08	0.01	0.00	-0.07	0.05	0.06	-0.03	-0.13	0.02	-0.03	0.02	0.01	-0.03
24. Weekday	4.36	2.13	0.09	0.04	0.02	0.06	0.02	-0.02	0.01	0.07	0.02	-0.01	-0.01	0.02	0.01

N= 14,108.

Table 3: Descriptive statistics and correlation matrix

<b>Variables</b>	<b>14</b>	<b>15</b>	<b>16</b>	<b>17</b>	<b>18</b>	<b>19</b>	<b>20</b>	<b>21</b>	<b>22</b>	<b>23</b>	<b>24</b>
<b>Control variables</b>											
15. Tag age (Days, log)	-0.15										
16. Video (0=No, 1=Yes)	0.27	-0.18									
17. Gender	0.08	-0.15	0.12								
18. Country	0.04	-0.20	0.07	0.05							
19. Tag concurrent launches	-0.37	0.23	-0.29	-0.01	-0.05						
20. Tag prior performance (Log)	0.09	0.26	0.14	0.04	-0.04	-0.19					
21. Tag maturity (Log)	-0.22	0.47	-0.17	0.08	-0.07	0.49	0.05				
22. Tag activity	-0.24	0.56	-0.22	0.02	-0.10	0.53	0.01	0.97			
23. Season	-0.12	-0.01	-0.12	-0.01	0.01	0.27	-0.14	0.06	0.05		
24. Weekday	0.02	0.03	0.04	-0.01	0.00	-0.03	0.05	0.01	0.00	-0.02	

N= 14,108.

Table 4: (continued)

Variables	Linear regression					Negative binomial					Negative binomial							
	DV: Amount pledged					DV: Repeat backers					DV: First-time backers							
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
<b>Control variables</b>																		
Funding goal (Log)	0.747*** (0.008)	0.729*** (0.008)	0.749*** (0.008)	0.749*** (0.008)	0.746*** (0.008)	0.732*** (0.008)	0.407*** (0.016)	0.382*** (0.017)	0.416*** (0.016)	0.413*** (0.016)	0.407*** (0.016)	0.395*** (0.017)	0.590*** (0.030)	0.562*** (0.030)	0.590*** (0.030)	0.588*** (0.030)	0.592*** (0.030)	0.561*** (0.030)
Updated (0=No, 1=Yes)	0.711*** (0.048)	0.705*** (0.048)	0.701*** (0.048)	0.707*** (0.048)	0.708*** (0.048)	0.685*** (0.048)	1.024*** (0.063)	1.031*** (0.062)	1.001*** (0.063)	1.012*** (0.061)	1.026*** (0.063)	0.989*** (0.059)	0.283*** (0.059)	0.254*** (0.061)	0.284*** (0.060)	0.290*** (0.060)	0.287*** (0.059)	0.273*** (0.061)
Failed (0=No, 1=Yes)	-2.266*** (0.025)	-2.216*** (0.025)	-2.256*** (0.025)	-2.263*** (0.025)	-2.270*** (0.025)	-2.207*** (0.024)	-2.036*** (0.037)	-1.955*** (0.037)	-2.004*** (0.036)	-2.024*** (0.037)	-2.034*** (0.037)	-1.918*** (0.036)	-2.064*** (0.043)	-1.974*** (0.044)	-2.064*** (0.043)	-2.066*** (0.043)	-2.062*** (0.042)	-1.977*** (0.044)
Low word count (0=No, 1=Yes)	-0.309*** (0.045)	-0.297*** (0.045)	-0.294*** (0.045)	-0.304*** (0.045)	-0.310*** (0.045)	-0.277*** (0.045)	-0.340*** (0.080)	-0.316*** (0.080)	-0.291*** (0.085)	-0.324*** (0.081)	-0.341*** (0.080)	-0.255*** (0.083)	-0.130 (0.098)	-0.078 (0.102)	-0.132 (0.097)	-0.135 (0.097)	-0.136 (0.097)	-0.096 (0.096)
Prior experience	0.051*** (0.004)	0.051*** (0.004)	0.042*** (0.004)	0.051*** (0.004)	0.051*** (0.004)	0.044*** (0.004)	0.054*** (0.010)	0.055*** (0.009)	0.032*** (0.009)	0.053*** (0.010)	0.054*** (0.010)	0.035*** (0.009)	-0.031** (0.013)	-0.033*** (0.012)	-0.031** (0.013)	-0.031** (0.013)	-0.032** (0.013)	-0.034*** (0.012)
Canceled (0=No, 1=Yes)	-2.328*** (0.047)	-2.270*** (0.046)	-2.320*** (0.047)	-2.325*** (0.047)	-2.333*** (0.047)	-2.265*** (0.046)	-2.018*** (0.064)	-1.943*** (0.062)	-2.000*** (0.064)	-1.995*** (0.065)	-2.015*** (0.064)	-1.911*** (0.062)	-2.231*** (0.070)	-2.145*** (0.068)	-2.231*** (0.070)	-2.238*** (0.071)	-2.224*** (0.070)	-2.144*** (0.069)
Campaign duration (Log)	0.037 (0.028)	0.053* (0.027)	0.055** (0.028)	0.039 (0.028)	0.042 (0.028)	0.085*** (0.028)	-0.212*** (0.077)	-0.187*** (0.072)	-0.166** (0.079)	-0.192** (0.077)	-0.214*** (0.077)	-0.114 (0.074)	0.185* (0.103)	0.187* (0.100)	0.183* (0.102)	0.180* (0.104)	0.177* (0.103)	0.163* (0.098)
Tag age	0.207*** (0.026)	0.198*** (0.025)	0.208*** (0.026)	0.193*** (0.027)	0.218*** (0.026)	0.187*** (0.026)	0.332*** (0.042)	0.346*** (0.039)	0.339*** (0.042)	0.275*** (0.042)	0.328*** (0.046)	0.297*** (0.042)	-0.015 (0.057)	-0.007 (0.052)	-0.015 (0.057)	0.009 (0.054)	-0.027 (0.057)	0.007 (0.050)
Video (0=No, 1=Yes)	-0.031 (0.023)	-0.064*** (0.023)	-0.023 (0.023)	-0.031 (0.023)	-0.026 (0.023)	-0.045** (0.023)	-0.048 (0.043)	-0.108*** (0.043)	-0.051 (0.044)	-0.052 (0.044)	-0.051 (0.043)	-0.106** (0.041)	0.396*** (0.075)	0.321*** (0.073)	0.397*** (0.075)	0.393*** (0.075)	0.390*** (0.074)	0.307*** (0.072)
Tag concurrent launches	-0.000 (0.000)	0.000 (0.000)	-0.000 (0.000)	-0.000 (0.000)	-0.001 (0.000)	-0.001** (0.000)	0.001 (0.001)	0.002** (0.001)	0.001* (0.001)	0.001 (0.001)	0.001* (0.001)	0.000 (0.001)	-0.004** (0.002)	-0.004*** (0.001)	-0.004** (0.002)	-0.004** (0.002)	-0.004** (0.002)	-0.003* (0.002)
Tag prior performance (Log)	0.080*** (0.013)	0.072*** (0.012)	0.081*** (0.013)	0.083*** (0.013)	0.076*** (0.013)	0.073*** (0.013)	0.045** (0.022)	0.029 (0.021)	0.046** (0.022)	0.054** (0.025)	0.046** (0.023)	0.039* (0.023)	0.030 (0.027)	0.015 (0.027)	0.030 (0.027)	0.026 (0.027)	0.033 (0.027)	0.014 (0.027)
Tag maturity	-0.003*** (0.000)	-0.002*** (0.000)	-0.003*** (0.000)	-0.003*** (0.000)	-0.002*** (0.000)	-0.002*** (0.000)	0.006*** (0.001)	0.007*** (0.001)	0.005*** (0.001)	0.005*** (0.001)	0.006*** (0.001)	0.006*** (0.001)	-0.001 (0.001)	-0.000 (0.001)	-0.001 (0.001)	-0.000 (0.001)	-0.001 (0.001)	-0.001 (0.001)
Tag growth	0.000*** (0.000)	0.000*** (0.000)	0.000*** (0.000)	0.000*** (0.000)	0.000*** (0.000)	0.000*** (0.000)	-0.000*** (0.000)	-0.000*** (0.000)	-0.000*** (0.000)	-0.000*** (0.000)	-0.000*** (0.000)	-0.000*** (0.000)	-0.000 (0.000)	-0.000 (0.000)	-0.000 (0.000)	-0.000 (0.000)	0.000 (0.000)	0.000 (0.000)
<b>Independent variables</b>																		
Staff pick (0=No, 1=Yes)		0.235*** (0.018)				0.235*** (0.018)		0.385*** (0.033)				0.390*** (0.034)	0.474*** (0.047)					0.469*** (0.046)
Community insider			0.001*** (0.000)			0.001*** (0.000)			0.002*** (0.000)			0.002*** (0.000)		-0.000 (0.000)				-0.000 (0.000)
Past narrative distinctiveness				1.448** (0.574)		3.145*** (0.654)				8.365*** (0.979)		9.415*** (1.117)				-3.066** (1.270)		-4.631*** (1.353)
Live narrative distinctiveness					-1.220*** (0.327)	-2.189*** (0.370)					0.564 (0.542)	-2.385*** (0.631)						1.444** (0.699)
Constant	0.027 (0.296)	0.131 (0.285)	-0.069 (0.297)	-1.182** (0.541)	1.024** (0.399)	-0.796 (0.537)	-1.074** (0.543)	-1.212** (0.522)	-1.399*** (0.541)	-8.225*** (0.973)	-1.540** (0.688)	-7.548*** (0.930)	-2.011*** (0.588)	-1.935*** (0.586)	-2.002*** (0.588)	0.587 (1.272)	-3.178*** (0.852)	-0.303 (1.204)
$R^2$	0.685	0.689	0.687	0.686	0.686	0.691												
AIC	37988.3	37820.1	37922.9	37984.0	37976.0	37723.2	183738.0	183364.3	183448.1	183570.8	183737.5	182918.8	133194.0	132709.4	133195.8	133178.0	133182.9	132667.7

Note: Robust standard errors reported in parentheses \*p < 0.1, \*\*p < 0.05, \*\*\*p < 0.01. Includes dummies for country, gender, season, and weekdays. N=14,108.

Table 5: Regression analysis

Independent variables	Model 1	Model 2	M1-M2
	Repeat backers	First-time backers	
Staff pick (0=No, 1=Yes)	0.390*** (0.034)	0.469*** (0.046)	-0.078** (0.034)
Community insider	0.002*** (0.000)	-0.000 (0.000)	0.002*** (0.000)
Past narrative distinctiveness	9.415*** (1.117)	-4.631*** (1.353)	14.046*** (1.149)
Live narrative distinctiveness	-2.385*** (0.631)	2.828*** (0.792)	-5.213*** (0.652)

Note: Robust standard errors reported in parentheses \*p < 0.1, \*\*p < 0.05, \*\*\*p < 0.01.

Only variables of interest listed. Based on Models 12,18 in Table 5.

Table 6: Cross-model testing of regression coefficients

Finally, we more formally test if the legitimacy mechanisms are equally strong for first-time and repeat backers. Comparing the two coefficients builds on the fact that testing  $\beta_1 = \beta_2$  is equivalent to testing  $\beta_1 - \beta_2 = 0$ . To statistically test this, one can use the Wald test for the equality of the coefficients:

$$z = \frac{\beta_{repeat} - \beta_{first}}{\sqrt{\sigma_{repeat}^2 + \sigma_{first}^2 - 2\sigma_{repeat,first}}} \quad (3)$$

where  $\beta_{repeat}$  and  $\sigma_{repeat}^2$  resemble the coefficient and standard error respectively from the repeat backer equation,  $\beta_{first}$  and  $\sigma_{first}^2$  the coefficient and standard error respectively from the first-time backer equation, and  $\sigma_{repeat,first}$  the covariance between  $\beta_{repeat}$  and  $\beta_{first}$ . If  $z$  exceeds the critical value, then the null hypothesis of both coefficients being equal is rejected. As both coefficients and standard errors originate from different estimations, comparing their relative strength formally demands cross-model hypotheses testing, which faces the challenge of lacking the joined covariances  $\sigma_{repeat,first}$  (Mize et al., 2019). To compute these covariances, we use the Stata postestimation command *suest*<sup>5</sup>.

Estimating the linear combinations ( $\beta_1 - \beta_2 = 0$ ) of these coefficients with the *lincom* command allowed us to compile Table 6 and analyze the extent to which the coefficients differ

<sup>5</sup>See <https://www.stata.com/manuals/rsuest.pdf> for additional information.

significantly. Although full models with all control variables were estimated, we only display the variables of interest for parsimonious reasons. To illustrate: The coefficient of “staff pick” in Model 1 of [Table 6](#) is exactly the same as in Model 12 of [Table 5](#). The column “M1-M2” shows the differences in the coefficients across the respective models M1, and M2 from [Table 6](#) and indicate whether the difference is significant. We find that, in line with [Hypothesis 1](#) the effect of the associative mechanism “staff pick” has a significantly stronger effect for first-time than for repeat backers. The organizational mechanism “community insider” has an effect that is stronger for repeat backers, as put forward by [Hypothesis 2](#). In line with [Hypothesis 3](#), we find also that the effect of past narrative distinctiveness between first-time and repeat backers is significant. Caution is advised in interpreting the differences for the live narrative distinctiveness as one has to take into account that for repeat backers the effect of the live narrative distinctiveness seems at least partially driven by the correlation with the past narrative distinctiveness, as its individual effect on repeat backers is not significant (see Model 11 in [Table 5](#)). Therefore, in this particular case of the live narrative distinctiveness, we repeated our calculations by estimating the linear combination of the direct effect coefficients taken from Model 11 and 17 in [Table 5](#). We find a marginally significant effect that live narrative distinctiveness is stronger for first-time than for repeat backers ( “M1 – M2” :  $\beta = -0.880, se = 0.549, p = 0.109$ ).

## 5 Discussion

We set out to explore if what we know about establishing legitimacy with crowdfunding backers extends to a broader range of campaign topics and backer types. Replicating past research on how technology-based campaigns use identity, associative, and organizational mechanisms to establish legitimacy ([Fisher et al., 2017](#); [Taeuscher et al., 2021](#)), we find that all three mechanisms have a similar, positive impact on the amount of funding raised, even in our very diverse cross-section of “on our radar” campaigns. However, key differences prevail

in their relative importance and effectiveness for repeat and first-time backers. With the increasing establishment of crowdfunding (Clough et al., 2019; Le Pendeven et al., 2022) and the rising numbers of both first-time and repeat backers (Murray et al., 2020), we believe that a more fine-grained perspective on backers evaluation of legitimacy is needed and important. To provide this perspective, we systematize differences between repeat and first-time backers by focusing on both cognitive and normative aspects of legitimacy (Suchman, 1995) and argue along the extent to which backers' abilities to comprehend and evaluate the normative desirability of a campaign have been shaped by experiences, as well as interactions and enculturation as they progress along their membership in the crowdfunding community (Thornton and Ocasio, 1999).

Our first contribution therefore relates to conceptualizing and highlighting the differences between first-time and repeat backers and how they matter for the process of establishing legitimacy with them. Although both repeat and first-time backers are not completely different audiences and share some commonalities in what they deem legitimate, some key differences prevail. First of all, both repeat and first-time backers are receptive to the associative mechanisms that showcase endorsement from influential community actors, in our case the Kickstarter staff (Fisher et al., 2017). While this is an important tool to determine normative appropriateness for both first-time and repeat backers alike, it is especially important for first-time backers that cannot substitute it with own experience, as compared to repeat backers that may rely on their accumulated knowledge as they progress along their community tenure. As such an endorsement is also always an indicator of high campaign quality (Soublière and Gehman, 2020), first-time backers favor the fact that some campaigns have been vetted by the Kickstarter staff even more strongly as it also helps them to cognitively comprehend campaigns.

While repeat and first-time backers are relatively close in their evaluation of endorsement by the Kickstarter staff, their receptiveness to the organizational mechanism of expected community behavior already shows some signs of divergence. When evaluating whether

a campaign leadership is truly in line with the community’s values and objectives, repeat backers, that are community insiders themselves, are well equipped to do so (Brewer, 1999). For them, the organizational mechanism is particularly normatively important. First-time backers, on the other hand, are community outsiders and therefore lack both the normative and cognitive capabilities to estimate differences in the extent to which a campaign leadership acts in line with community values. Organizational mechanisms are therefore rendered ineffective in addressing them.

The differences between repeat and first-time backers are most pronounced in terms of the identity mechanism and the campaign narrative. Here, we highlight that repeat and first-time backers utilize different cognitive referents and reference levels when evaluating narratives and their desirable distinctiveness (Durand and Haans, 2022). Repeat backers have a more backward, more historically focused perspective and evaluate narratives as compared to past campaigns, while first-time backers rather have a contemporary focus (Chan et al., 2021). As the evaluation of identity claims always includes the weighing of decision alternatives (Haans, 2019), we therefore show that first-time backers find these in live campaigns, where their “first” pledge of support could still have an impact, while the repeat backer approach is more “anchored” in historical precedent and probably their own past behavior. With these findings, our study helps to bring together parts of prior literature on entrepreneurial resource mobilization (Fisher et al., 2017; Murray et al., 2020) by conceptualizing how repeat and first-time backers differ and how their values and beliefs have been shaped as they progressed along their membership in the crowdfunding community. Conceptualizing these differences and showing that what we know about repeat backers (Fisher et al., 2017) cannot one to one be transferred to first-time backers is our core contribution.

Our second contribution relates to the comparison of the legitimacy mechanisms on different desirable outcomes, such as attracting repeat versus first-time backers as well as acquiring funding. While most existing work focuses on the amount of funding pledged as the ultimate performance measure (Le Pendeven et al., 2022), our approach provides a more



fine-grained perspective. The effectiveness of legitimacy mechanisms across outcomes differs most notably again for the identity mechanism and the narrative. Here, even opposite preferences emerge, and campaign leaderships therefore face a dilemma at this point: While a narrative distinct from past campaigns helps to attract repeat backers, it simultaneously harms their efforts to attract first-time backers. This trade-off can be considered particularly consequential for serial campaign creators that intend to launch repeated campaigns (Soublière and Gehman, 2020) and therefore are keen on building an own, loyal community (Fisher, 2019). We would explain this result with the fact that first-time backers, as compared to novelty-seeking repeat backers, still rely on the legitimating effects of conformity to established norms and practice (Janisch and Vossen, 2022), as expressed via non-distinct narratives that adhere closely to those of past campaigns (Vossen and Ihl, 2020).

However, as the effect of past narrative distinctiveness is significantly stronger for attracting repeat than for repelling first-time backers, we would conclude that under most conditions, utilizing a narrative distinct from past campaigns seems advisable. Although distinctiveness from live campaigns does attract first-time backers and simultaneously does not repeal repeat backers, it unfortunately also lowers the amount of funding pledged, adding another facet to the dilemma of deciding on a suited campaign narrative that yields the desired funding (Martens et al., 2007). This adds to the significant relevance of the identity mechanism that demands careful managerial attention and consideration, as the trade-offs to be considered are likely very consequential.

This also leads to the focal point of our third contribution that relates to literature on cultural entrepreneurship and optimal distinctiveness, particularly in a crowdfunding setting. Our results offer relevant insights into the trade-off between legitimizing and differentiating that entrepreneurs face when designing their cultural tools while seeking funding from crowdfunding audiences (Nielsen and Binder, 2021; Parhankangas and Renko, 2017). Narratives have traditionally been shown to need to strike a balance between conforming to appear legitimate and standing out to generate competitive advantages (Haans, 2019; Vossen and Ihl,

2020). Particularly in a crowdfunding setting, it has been shown that the distinctiveness of narratives not only brings competitive benefits, but also creates legitimacy (Taeuscher et al., 2021). Our results contextualize these findings by offering a more fine-grained perspective on repeat and first-time backers, who differ in what they relate their distinctiveness evaluation to (Chan et al., 2021; Durand and Haans, 2022). By doing so, our results contribute to the growing body of literature on optimal distinctiveness that focuses on temporal dynamics of conformity and differentiation claims (Zhao and Glynn, 2022). Our results also show-case that backers' preference for distinctiveness over conformity not only manifests in rather transactional and technology-driven campaigns (Taeuscher et al., 2021), but also generalizes to more civic campaigns (Logue and Grimes, 2022) that score high on community relevance and value. Thus, the novelty-expecting and -seeking behavior of crowdfunding audiences (Vossen and Ihl, 2020) seems to persist regardless of the campaign's topic.

Besides the aforementioned contributions to theory, this paper also has several important implications for management practice. This paper aids campaign leaderships who intend to rely on crowdfunding to fund their idea. Our findings help to understand in which competitive situation it might be more appropriate and useful to leverage the different means of acquiring legitimacy (Fisher et al., 2017). Notably, these insights go beyond technology-based campaigns and extend to cultural and civic ones. Campaign leaderships are advised to spend much effort to carefully design a suitable narrative that is not only able to appeal to both first-time and repeat backers (Vossen and Ihl, 2020), but also to maximize the monetary commitment by first-time backers. Which strategy is best may very well depend on the individual case and especially on the extent to which campaign leaderships favor repeat over first-time backers, as the latter are particularly important for building one's own community (Fisher, 2019; Murray et al., 2020). If campaign leaderships are eager to attract repeat backers, they should strive for an endorsement from the platform host and build a track record of engaging with platform users and campaigns before launching their own campaign. Regardless of the individual strategy and the respective objectives, campaign

leaderships need to be sensitive to the subtle and more obvious differences in establishing legitimacy between repeat and first-time backers.

## 6 Limitations, outlook, and conclusion

This work is not without limitations that can serve as starting point for future research studies. As with all empirical studies, limitations arise from the sampling strategy. While we deem the “on our radar” section an appropriate empirical field for testing the suitability of findings from technology-based campaigns for broader, more general campaign topics, it still remains a cross-sectional subsample that only accounts for about three percent of all Kickstarter campaigns. While this sampling approach, to our mind, increases the generalizability of our results by showing the effects across all Kickstarter categories, researchers that are interested in certain campaign categories, such as for example art campaigns, may find it worthwhile to ensure that their sampling strategy puts a greater emphasis on these. As we use the full sample of available “on our radar” campaigns we feel certain that our results are reliable for campaign creators that seek funding for topics close to the Kickstarter community. To further increase generalizability, particularly in terms of the differences between repeat and first-time backers, it seems worthwhile to test our results on different platforms and in different “crowd-based” settings, such as equity crowdfunding ([Block et al., 2018](#); [Butticè et al., 2022](#)). However, it could provide challenges to operationalize differences between first-time and repeat backers as only a few platforms utilize such a distinction.

Our list of legitimacy mechanisms is based on recent work ([Fisher et al., 2017](#)), but is by no means intended to be exhaustive. Other mechanisms could play an important role, and their interplay with the ones we focused on could be an interesting venue for further research. A limitation in operationalizing our community insider variable arises from the fact that only the total number of campaigns supported by campaign leadership is now publicly available, not the specific times when that support occurred. It would be interesting to replicate our

results in a setting that allows us to control for dynamics in campaign founder support behavior. As our data is by nature cross-sectional, we may suffer from endogeneity that may, e.g., arise from omitting important variables. Although our results remain statistically very robust across different empirical models and we tried to address this issue with a range of control variables used by prior studies, a future approach using panel data may be able to alleviate such concerns. Other concerns arise from causality issues. We rely strongly on the conceptual work on institutional logic, as well as the different legitimacy mechanisms to address it (Fisher et al., 2017; Murray et al., 2020; Pahnke et al., 2015), yet, utilizing our secondary data set, we can only measure these mechanisms and their effectiveness through suitable proxies. Future research could strengthen the causal link and create experimental evidence with clear randomization and manipulation that is better suited to infer causality.

Moreover, a more fine-grained perspective on the origin of first-time backers could be a promising venue for future research. While community-based resource mobilization clearly sees first-time backers as a result of leveraging personal networks and existent ties (Murray et al., 2020), our data, as well as our interviews, suggest that the number of first-time backers that campaigns attract is too high to be explained by this. More work is needed here to help explain the determinants of successful recruitment of first-time backers beyond the campaign-specific network, such as convincing so-called “lurkers” (Malinen, 2015).

Our setting does not allow us to factor in the cost and effort related to using one or the other legitimacy signal, i.e., how costly and work-intensive developing a suited identity narrative is as compared to establishing a track record of proven platform community engagement. Although we believe our operationalization is appropriate and consistent with the conceptual work, future research could provide campaign leaderships with a better sense of what legitimacy signal might be economically responsible and meaningful.

We encourage future research on the different ways in which backers diverge to more deeply understand and classify heterogeneity within the group of backers. In this work, we have shown how repeat and first-time backers differ, how this affects their legitimacy

assessment of campaigns, and how campaign creators can best convince these different backer types of their legitimacy. In doing so, we have taken a first step toward understanding the complexity and mechanisms involved in legitimacy evaluation in the field of community-based resource mobilization and entrepreneurial resource provision. We believe that our work has provided first insights for researchers and crowdfunding stakeholders that will help to establish the notion that, in order to garner legitimacy, crowdfunding campaigns should be “dancing to multiple tunes” of a heterogeneous backer audience.

## References

- Almandoz, J. (2014). Founding Teams as Carriers of Competing Logics: When Institutional Forces Predict Banks’ Risk Exposure. *Administrative Science Quarterly*, 59(3):442–473.
- Bateman, P. J., Gray, P. H., and Butler, B. S. (2011). The Impact of Community Commitment on Participation in Online Communities. *Information Systems Research*, 22(4):841–854.
- Belleflamme, P., Lambert, T., and Schwienbacher, A. (2013). Individual crowdfunding practices. *Venture Capital*, 15(4):313–333.
- Block, J. H., Colombo, M. G., Cumming, D. J., and Vismara, S. (2018). New players in entrepreneurial finance and why they are there. *Small Business Economics*, 50(2):239–250.
- Brewer, M. B. (1999). The Psychology of Prejudice: Ingroup Love and Outgroup Hate? *Journal of Social Issues*, 55(3):429–444.
- Bu, J., Zhao, E. Y., Li, K. J., and Li, J. M. (2022). Multilevel optimal distinctiveness: Examining the impact of within- and between-organization distinctiveness of product design on market performance. *Strategic Management Journal*, page smj.3377.
- Burtch, G., Ghose, A., and Wattal, S. (2016). Secret Admirers: An Empirical Examination of Information Hiding and Contribution Dynamics in Online Crowdfunding. *Information Systems Research*, 27(3):478–496.
- Butticè, V., Collewaert, V., Stroe, S., Vanacker, T., Vismara, S., and Walthoff-Borm, X. (2022). Equity Crowdfunders’ Human Capital and Signal Set Formation: Evidence From Eye Tracking. *Entrepreneurship Theory and Practice*, 46(5):1317–1343.
- Butticè, V., Colombo, M. G., and Wright, M. (2017). Serial Crowdfunding, Social Capital, and Project Success. *Entrepreneurship Theory and Practice*, 41(2):183–207.
- Calic, G. and Mosakowski, E. (2016). Kicking Off Social Entrepreneurship: How A Sustainability Orientation Influences Crowdfunding Success: Kicking Off Social Entrepreneurship. *Journal of Management Studies*, 53(5):738–767.
- Cameron, A. and Trivedi, P. K. (1990). Regression-based tests for overdispersion in the Poisson model. *Journal of Econometrics*, 46(3):347–364.
- Chan, C. R., Parhankangas, A., Sahaym, A., and Oo, P. (2020). Bellwether and the herd?

- Unpacking the u-shaped relationship between prior funding and subsequent contributions in reward-based crowdfunding. *Journal of Business Venturing*, 35(2):105934.
- Chan, T. H., Lee, Y. G., and Jung, H. (2021). Anchored Differentiation: The Role of Temporal Distance in the Comparison and Evaluation of New Product Designs. *Organization Science*, 32(6):1523–1541.
- Cholakova, M. and Clarysse, B. (2015). Does the Possibility to Make Equity Investments in Crowdfunding Projects Crowd Out Reward-Based Investments? *Entrepreneurship Theory and Practice*, 39(1):145–172.
- Clough, D. R., Fang, T. P., Vissa, B., and Wu, A. (2019). Turning Lead into Gold: How Do Entrepreneurs Mobilize Resources to Exploit Opportunities? *Academy of Management Annals*, 13(1):240–271.
- Cohen, B. D. and Dean, T. J. (2005). Information asymmetry and investor valuation of IPOs: Top management team legitimacy as a capital market signal. *Strategic Management Journal*, 26(7):683–690.
- Courtney, C., Dutta, S., and Li, Y. (2017). Resolving Information Asymmetry: Signaling, Endorsement, and Crowdfunding Success. *Entrepreneurship Theory and Practice*, 41(2):265–290.
- Durand, R. and Haans, R. F. J. (2022). Optimally Distinct? Understanding the motivation and ability of organizations to pursue optimal distinctiveness (or not). *Organization Theory*, 3(1):263178772210793.
- Fisher, G. (2019). Online Communities and Firm Advantages. *Academy of Management Review*, 44(2):279–298.
- Fisher, G., Kuratko, D. F., Bloodgood, J. M., and Hornsby, J. S. (2017). Legitimate to whom? The challenge of audience diversity and new venture legitimacy. *Journal of Business Venturing*, 32(1):52–71.
- Gafni, H., Marom, D., Robb, A., and Sade, O. (2021). Gender Dynamics in Crowdfunding (Kickstarter): Evidence on Entrepreneurs, Backers, and Taste-Based Discrimination\*. *Review of Finance*, 25(2):235–274.
- Glynn, M. A. and Navis, C. (2013). Categories, Identities, and Cultural Classification: Moving Beyond a Model of Categorical Constraint: Categories, Identities, and Cultural Classification. *Journal of Management Studies*, 50(6):1124–1137.
- Greenberg, J. and Mollick, E. (2017). Activist Choice Homophily and the Crowdfunding of Female Founders. *Administrative Science Quarterly*, 62(2):341–374.
- Haans, R. F. J. (2019). What’s the value of being different when everyone is? The effects of distinctiveness on performance in homogeneous versus heterogeneous categories. *Strategic Management Journal*, 40(1):3–27.
- Jacobides, M. G., Cennamo, C., and Gawer, A. (2018). Towards a theory of ecosystems. *Strategic Management Journal*, 39(8):2255–2276.
- Janisch, J. and Vossen, A. (2022). Categorically right? How firm-level distinctiveness affects performance across product categories. *Journal of Business Venturing*, 37(4):106228.
- Johnson, M. A., Stevenson, R. M., and Letwin, C. R. (2018). A woman’s place is in the... startup! Crowdfunder judgments, implicit bias, and the stereotype content model. *Journal of Business Venturing*, 33(6):813–831.
- Josefy, M., Dean, T. J., Albert, L. S., and Fitza, M. A. (2017). The Role of Community in Crowdfunding Success: Evidence on Cultural Attributes in Funding Campaigns to

- “Save the Local Theater”. *Entrepreneurship Theory and Practice*, 41(2):161–182.
- Kaminski, J. C. and Hopp, C. (2020). Predicting outcomes in crowdfunding campaigns with textual, visual, and linguistic signals. *Small Business Economics*, 55(3):627–649.
- Kickstarter (2013). Introducing Tags. <https://www.kickstarter.com/blog/introducing-tags>.
- Kickstarter (2022a). How does my project become a Project We Love or get featured on the homepage? <https://help.kickstarter.com/hc/en-us/articles/115005135214>.
- Kickstarter (2022b). Stats. <https://www.kickstarter.com/help/stats>.
- Le, Q. and Mikolov, T. (2014). Distributed representations of sentences and documents. *31st International Conference on Machine Learning, ICML 2014*, 4:2931–2939.
- Le Pendeven, B., Bardon, T., and Manigart, S. (2022). Explaining Academic Interest in Crowdfunding as a Research Topic. *British Journal of Management*, 33(1):9–25.
- Logue, D. and Grimes, M. (2022). Platforms for the people: Enabling civic crowdfunding through the cultivation of institutional infrastructure. *Strategic Management Journal*, 43(3):663–693.
- Malinen, S. (2015). Understanding user participation in online communities: A systematic literature review of empirical studies. *Computers in Human Behavior*, 46:228–238.
- Martens, M. L., Jennings, J. E., and Jennings, P. D. (2007). Do the Stories They tell get them the Money They Need? The Role of Entrepreneurial Narratives in Resource Acquisition. *Academy of Management Journal*, 50(5):1107–1132.
- Mitra, T. and Gilbert, E. (2014). The language that gets people to give: Phrases that predict success on kickstarter. In *Proceedings of the 17th ACM Conference on Computer Supported Cooperative Work & Social Computing*, pages 49–61, Baltimore Maryland USA. ACM.
- Mize, T. D., Doan, L., and Long, J. S. (2019). A General Framework for Comparing Predictions and Marginal Effects across Models. *Sociological Methodology*, 49(1):152–189.
- Mollick, E. (2014). The dynamics of crowdfunding: An exploratory study. *Journal of Business Venturing*, 29(1):1–16.
- Moss, T. W., Renko, M., Block, E., and Meyskens, M. (2018). Funding the story of hybrid ventures: Crowdfunder lending preferences and linguistic hybridity. *Journal of Business Venturing*, 33(5):643–659.
- Murray, A., Kotha, S., and Fisher, G. (2020). Community-Based Resource Mobilization: How Entrepreneurs Acquire Resources from Distributed Non-Professionals via Crowdfunding. *Organization Science*, 31(4):960–989.
- Mutch, A. (2021). Challenging Community: Logic or Context? *Organization Theory*, 2(2):263178772110046.
- Navis, C. and Glynn, M. A. (2011). Legitimate Distinctiveness and The Entrepreneurial Identity: Influence on Investor Judgments of New Venture Plausibility. *Academy of Management Review*, 36(3):479–499.
- Nielsen, K. R. and Binder, J. K. (2021). I Am What I Pledge: The Importance of Value Alignment for Mobilizing Backers in Reward-Based Crowdfunding. *Entrepreneurship Theory and Practice*, 45(3):531–561.
- Ocasio, W., Mauskopf, M., and Steele, C. W. J. (2016). History, Society, and Institutions: The Role of Collective Memory in the Emergence and Evolution of Societal Logics. *Academy of Management Review*, 41(4):676–699.
- O’Hara, R. and Kotze, J. (2010). Do not log-transform count data. *Nature Precedings*.

- Packalen, K. A. (2007). Complementing Capital: The Role of Status, Demographic Features, and Social Capital in Founding Teams' Abilities to Obtain Resources. *Entrepreneurship Theory and Practice*, 31(6):873–891.
- Pahnke, E. C., Katila, R., and Eisenhardt, K. M. (2015). Who Takes You to the Dance? How Partners' Institutional Logics Influence Innovation in Young Firms. *Administrative Science Quarterly*, 60(4):596–633.
- Pan, L., Li, X., Chen, J., and Chen, T. (2020). Sounds novel or familiar? Entrepreneurs' framing strategy in the venture capital market. *Journal of Business Venturing*, 35(2):105930.
- Parhankangas, A. and Renko, M. (2017). Linguistic style and crowdfunding success among social and commercial entrepreneurs. *Journal of Business Venturing*, 32(2):215–236.
- Skirnevskiy, V., Bendig, D., and Brettel, M. (2017). The Influence of Internal Social Capital on Serial Creators' Success in Crowdfunding. *Entrepreneurship Theory and Practice*, 41(2):209–236.
- Soublière, J.-F. and Gehman, J. (2020). The Legitimacy Threshold Revisited: How Prior Successes and Failures Spill Over to Other Endeavors on Kickstarter. *Academy of Management Journal*, 63(2):472–502.
- Suchman, M. C. (1995). Managing Legitimacy: Strategic and Institutional Approaches. *Academy of Management Review*, 20(3):571–610.
- Taeuscher, K., Bouncken, R., and Pesch, R. (2021). Gaining Legitimacy by Being Different: Optimal Distinctiveness in Crowdfunding Platforms. *Academy of Management Journal*, 64(1):149–179.
- Thornton, P. H. and Ocasio, W. (1999). Institutional Logics and the Historical Contingency of Power in Organizations: Executive Succession in the Higher Education Publishing Industry, 1958–1990. *American Journal of Sociology*, 105(3):801–843.
- van der Maaten, L. and Hinton, G. (2008). Visualizing Data using t-SNE. *Journal of Machine Learning Research*, 9:2579–2605.
- Vossen, A. and Ihl, C. (2020). More than words! How narrative anchoring and enrichment help to balance differentiation and conformity of entrepreneurial products. *Journal of Business Venturing*, 35(6):106050.
- Wiklund, J., Baker, T., and Shepherd, D. (2010). The age-effect of financial indicators as buffers against the liability of newness. *Journal of Business Venturing*, 25(4):423–437.
- Williams, T. A. and Shepherd, D. A. (2021). Bounding and Binding: Trajectories of Community-Organization Emergence Following a Major Disruption. *Organization Science*, 32(3):824–855.
- Zhao, E. Y. and Glynn, M. A. (2022). Optimal Distinctiveness: On Being the Same and Different. *Organization Theory*, 3(1):1–15.
- Zvilichovsky, D., Inbar, Y., and Barzilai, O. (2013). Playing Both Sides of the Market: Success and Reciprocity on Crowdfunding Platforms. *SSRN Electronic Journal*.