Exploring the Strategic Elements of Backers' Persuasion in Reward-Based Crowdfunding

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ORIGINAL ARTICLE

Exploring the Strategic Elements of Backers' Persuasion in Reward-Based Crowdfunding

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Abstract

In this paper we investigate the strategic elements that project founders' use in reward-based crowdfunding campaigns to achieve a higher level of persuasion. Exploration of these elements not only provides insights into an entrepreneur's experience with crowdfunding but also provides material for comparing results reported by other (quantitative) studies. We conducted an empirical study with 13 Kickstarter project founders through in-depth, semi-structured interviews which were analysed through a reflexive thematic analysis approach. Drawing from our findings, we propose four strategic elements that founders use to persuade backers and achieve success drawing from individual-level experiences and observations.

Introduction

D ue to limited sources of revenues and/or high costs, the majority of young ventures are not able to launch their products without additional sources of external funding (Cooney, 2005). Therefore, entrepreneurship research has sought to understand what actions entrepreneurs take to access funds in order to bring new products and services to the marketplace (Short et al., 2017).

Over the last decade, several modes of entrepreneurial financing have evolved, complementing traditional sources of finance (Belleflamme et al., 2014). Crowdfunding, for example, is an entrepreneurs' call for small amounts of money from a broad audience ("the crowd") using a virtual platform (Mollick, 2014), which has become a popular way of financing a wide range of activities, including charity projects, business ventures, and personal loans (Ma & Liu, 2017). The total transaction value in the crowdfunding segment is estimated to be US$ 940.9 million in 2020 and is expected to grow and become the leading provider of start-up funding in the coming years (Crowdfunding - Statista Market Forecast, 2020).

The current literature on crowdfunding is mainly characterised by quantitative studies focusing on the determinants of success in crowdfunding campaigns based on the available online data (see Cordova et al., 2015; Mollick, 2014). They suggested that the quality of the project, signals, founders' network, and internal social capital play an influential role in a campaign's success (Giudici et al., 2018). At the same time, research has also revealed that heterogeneity exists in the types of crowdfunding projects, backers, and founders (Polzin et al., 2018). According to Kaartemo (2017), 73% of all studies of crowdfunding have been quantitative, with little investigation of entrepreneurs' views, sense-making, and experiences. While a major focus of the existing research has been on large-scale datasets scraped directly from crowdfunding web pages, with this study we underscore the need to dive deeper into the topic by better understanding

how founders' use strategic elements in crowd-funding campaigns.

The success of a new venture depends mostly on the initiatives taken by the founding team (Gilbert et al., 2006). Strategic choices made to provide funds are complex due to information scarcity, environmental uncertainty, and impersonal online contacts (DeTienne et al., 2015). To better understand the strategic elements that contribute to a successful campaign, it is important to integrate information from all stakeholders; entrepreneurs, backers and platforms. We respond to the call for new qualitative research focusing on campaign founders (Kraus et al., 2016) by exploring the strategic elements that founders use in designing reward-based crowd-funding campaigns to persuade backers. Understanding and recognising founders' early strategic actions can provide insights into the success factors for effective crowdfunding campaigns. Moreover, figuring out how founders plan and implement strategic elements in reward-based campaigns can not only improve our understanding of the choices and processes involved in crowdfunding but also provide a benchmark against other sources of financing. These new findings acquired with primary data from reward-based campaigns founders are of interest to scholars as well as to practitioners who may consider starting their own campaign, as they provide a more nuanced understanding of crowdfunding. Specifically, inexperienced practitioners in fund-seeking can use these insights to inform their crowdfunding activities, since similar data are not available elsewhere neither on crowd-funding platforms' web pages. According to Pollack et al. (2021), the practical relevance of future insights from crowdfunding exploration should gain attention and not be underestimated. By offering a thorough and systematic understanding of strategic efforts based on primary data, we offer practitioners a better understanding of the mechanisms that are used to persuade backers and attain financial goals. Finally, with this study, we applied a reflexive thematic analysis, a method mainly used in psychology and health research, to crowdfunding and entrepreneurship research. The method allows us to dig into the topic without bias in favour of any theory and unveil the introspective view of the phenomena, which is a novel approach in this area.

In the following, we outline theoretical foundations of the presented concept of strategic elements and their use in persuading backers. Next, findings from previous crowdfunding research are presented, examining the interplay between different factors that lead to success. Following this, the research design and data analysis using reflexive TA

are presented. The paper concludes by discussing the contributions and practical implications, in addition to addressing some limitations of the research.

1 Literature review

Since the establishment of the first crowdfunding platform, various types of crowdfunding have emerged. These differ in terms of the requested investment amount and the kind of compensation offered to investors (Cordova et al., 2015). Scholars have divided these types into four categories: donation-based crowdfunding, equity-based crowdfunding, crowdlending, and reward-based crowdfunding (Cholakova & Clarysse, 2015; Colombo et al., 2015). Despite their differences, the same three stakeholders are involved in the campaigns across categories: the entrepreneur who proposes the idea, the crowd (i.e. the individuals who financially support the campaign), and the platform that brings all parties together. However, not all stakeholders play the same role in all crowdfunding types.

Probably the most intriguing aspect of entrepreneurial finance research is understanding why some new ventures are more successful than others in raising funds (Kuratko, 2017). Providing funds for the project is one of the primary motivations for starting a crowdfunding campaign. According to Mollick (2014), it is crucial to understand what dynamics drives crowdfunding success and failure. Reward-based crowdfunding is with its well-developed platforms (e.g. Kickstarter, Indiegogo) perhaps the best-known and predominant type of crowd-funding; instead of a debt or equity contract, fund providers (backers) are promised a non-monetary reward in exchange for their financial contribution to the project (Frydrych et al., 2014). This process is similar to pre-ordering a product from traditional e-commerce but has many unique characteristics. For example, project backers usually pay more than for traditional online pre-orders and are involved in the process of project development; backers can also establish a relationship with founders via recurrent transactions and institutional mechanisms (Zheng et al., 2016). As a result, the backer−founder relationship plays an essential role in the process of fundraising (Belleflamme et al., 2014). In equity crowdfunding and crowdlending, supporters are intrigued by the potential return on investment, while in donation crowdfunding, the philanthropy is the main motive. Contradictory, founders in reward-based crowdfunding have no tangible elements or profit to attract backers, they may offer

only a reward or a product, which may never be delivered. Therefore, understanding strategic elements that founders use in order to increase backers' motivation and commitment, seems imminent in reward-based crowdfunding as compared to other types of campaigns.

To date, studies analysing the success factors of crowdfunding campaigns focused primarily on accessible online data generated from platforms. Individual driven determinants that can influence the effectiveness of crowdfunding campaigns have been largely disregarded. Crowdfunding takes place on web platforms where entrepreneurial narratives play a central role in communication between founders and potential funders (Allison et al., 2017). However, we believe that the exact mechanism of persuasion used by founders remains somewhat unclear, since the narratives and other features presented on the campaign's pages do not tap into the processes used by founders. To shed light on persuasion processes of campaign funders, we moved away from quantitative analytical approaches (based on likelihood models) into a qualitative investigation. In our analysis, we have included all the decisions and actions taken by founders during the pre-campaign and early campaign period, which they had used to attract backers and have the potential to convince backers to contribute to an effective campaign, thus helping founders to accomplish the established campaign goal. To address all the absence, two broad questions were addressed: What strategic elements do project founders use in their reward-based crowdfunding campaign to persuade backers? Are those elements in line with previous studies? To address the questions, we have compiled a rich qualitative dataset based on personal interviews with crowdfunding entrepreneurs.

There has recently been an upsurge in scholarly research on crowdfunding performance (Ahsan et al., 2018). Existing studies have aimed to understand the determinants of effectively attracting backers. Many researchers believe that the key factors for the success of a crowdfunding project lie within the project itself (Sauermann et al., 2019). These factors include the quality of the product, the format in which it is presented, and the characteristics of the campaign. Scholars have investigated the determinants of crowdfunding success from a variety of theoretical and empirical approaches (Short et al., 2017), taking into account several variables (web presence, updates, number of rewards, comments, and pitch rhetoric) (Clauss et al., 2018), but drawing conclusions without access to primary data. In the following section, we expose the main

finding from the literature, which will serve as a reflection and comparison with our findings.

The most visible element of any crowdfunding campaign is the pitch. The structure and manifestation of pitch delivery are associated with the success on reward-based platforms. According to Parhankangas and Renko (2017), the linguistic style of the pitch is an essential predictor of success for social entrepreneurs. Using concrete language and an interactive format, in general, facilitates the fundraising of both social and commercial entrepreneurs. Others (Butticè et al., 2017; Colombo et al., 2015) have concluded that the amount of information about a project provided on the platform contributes to funding success. Moy et al. (2018) observed that the scope of information in a crowdfunding text is limited, and exceeding the optimal amount may reduce a project's chance of fundraising. Another critical finding based on examining the rhetoric used in successful Kickstarter campaigns is that the most well-funded projects contain the three types of rhetorical appeal outlined by Aristotle: ethos, which emphasises the credibility of the speaker; pathos, which produces emotions in the crowd; and logos, which supports claims through logical argumentation (Tirdatov, 2014).

Koch and Siering (2015) concurred that the heart of crowdfunding is a story that illustrates the passion and motivation of the founding team. Technically, the best approach is visualisation. However, since videos have now become standard on crowdfunding platforms, it may no longer be a sufficient approach. In fact, Kim et al. (2016) determined that video pitches could even decrease the probability of raising funds on Indiegogo. However, original videos still seem to positively influence crowdfunding on Kickstarter (Calic & Mosakowski, 2016). Lu (2018) investigated displayed passion (exhibition of positive feelings) and displayed preparedness (presentation of a business plan) in entrepreneurs' videos, finding that both are positively related to crowdfunders' contribution and the amount of funding attracted.

Backers of crowdfunding campaigns face severe problems of information asymmetry, due to the lack of production history and reputation (Kuratko, 2017). Therefore, founders need to provide signals that reduce backers' uncertainty (Mollick, 2014). In a study of online signals of quality, Bi et al. (2017) revealed that the introductory address and video (called the central route) and electronic word of mouth such as "Likes" and the number of online reviews (called peripheral route) had significant positive effects on the backer's decision. By contrast, projects boasting patented technologies

had no advantage over similar projects without a patent. Moreover, the association may generally be negative, as projects with patents have higher capital needs, tend to be riskier, more complex, and sophisticated in technical terms, and are less integrated into the crowd community (Meoli et al., 2017).

Research on reward-based crowdfunding dealing with founders' characteristics has concluded that crowdfunding success is driven by project quality, geography, and personal networks (Mollick, 2014). Similarly to Mollick (2014), Zheng et al. (2014) found that the entrepreneurs' social capital is a significant predictor of success. The impact of both external social capital (e.g. the number of Facebook and LinkedIn contacts) (Colombo et al., 2015) and internal social capital (e.g. interactions developed within the crowdfunding community on the platform) appears to be influential (Mollick, 2014). Koch and Siering (2015) empirically evaluated the model on Kickstarter and confirmed that founders who had backed other projects in the past were more successful compared to those who had not supported other projects. Surprisingly, the founder's project experience, measured by the number of previously created campaigns, had no significant influence. However, internal social capital has a relatively short impact on the likelihood of funding, since the positive effect vanishes in a year and a half (Butticè et al., 2017). Nevertheless, there is no consensus in the literature on the importance of social media presence. Colombo et al. (2015) found that the number of an entrepreneur's social media connections was not significantly related to campaign success, although it was linked to the number of early contributions. Cumming et al. (2019) found no difference between successful and unsuccessful reward-based crowdfunding campaigns in terms of the number of social media website links.

Despite the fact that over the past years the success of reward-based crowdfunding has received extraordinary interest, it appears that entrepreneurship scholars do not study strategic elements and consequently crowdfunding success based on primarily driving source of crowdfunding − founders. It seems that their pitch and written presented facts on the platform are enough. However, we believe that to enrich the knowledge, we need to focus more deeply also on personal sense-making and not only analysing visible results.

2 Research design

In this study, we adopted a qualitative research design, based on semi-structured interviews to uncover the founder's experiences in persuading backers. Data were analysed through thematic analysis (TA) − a method that has been used for identifying, organising, and offering insight into patterns of meaning (themes) across the qualitative dataset. Patterns are spotted through a process of data familiarisation, coding, and theme development. Numerous patterns can be identified across any dataset, with the aim of identifying those patterns that are relevant to the research question (Braun & Clarke, 2012).

We followed a reflexive approach, developed by Braun and Clarke (2006), which locates TA entirely within a qualitative paradigm and has been predominantly used in psychology where individual experiences, people's views, and opinions matter. Reflexive TA is a flexible and theoretically independent method that is not tied to a particular theoretical commitment. Although it can be carried out in different ways, TA requires the researcher to make a series of choices and a theoretically informed framework (Braun & Clarke, 2012; Clarke et al., 2015).

Compared with traditional empirical methods used in entrepreneurship, such as interpretative phenomenological analysis (IPA) or content analysis which are also focused on what people say and the content of language use in their narratives, reflexive TA seemed the more appropriate method in this study, since it allows theoretical flexibility as well as accounting for subjective consideration of respondents, which considered as an advantage in this method. Even if IPA could provide similar results, it was not a suitable approach to be used, since it requires a theoretically informed framework. Furthermore, IPA has a dual focus. It focuses on the unique characteristics of individual participants and the patterning of meaning across participants. In contrast, TA focuses mainly on the patterning of meaning across participants, which was the goal of this research.

In Braun and Clarke's version of TA (2006, 2012), themes are developed from a detailed engagement with the data; they are not imagined or anticipated early on from theoretical concepts but are understood as something actively created and built by the researcher. This takes place at the intersection of the data and the researcher's theoretical and conceptual frameworks, disciplinary knowledge, skills and experience (Braun & Clarke, 2019). Themes are the outcomes of the analytical process, rather than the starting point, as they are in coding reliability TA (Terry et al., 2017).

Coding can be done by one coder, as it is always considered a subjective process. Accordingly, the

subjectivity of the researcher is an integral part of the analysis, and consensual coding does not make sense in this approach (Braun & Clarke, 2019). Quality achieved through a deep engagement with the data is a vital concern in reflexive TA. Rather than focusing on coding accuracy and frequency of codes, quality-assurance strategies, such as review of candidate themes, are focused on encouraging reflection, rigour, a systematic and thorough approach, and greater depth of engagement (Braun & Clarke, 2006).

2.1 Data collection

Our dataset consisted of 11 Kickstarter campaigns based in Slovenia, from which we interviewed 13 founders. Considering scarce funding opportunities after the global financial crisis, crowdfunding has reached recognisability and has become a popular mean of raising funds, with reward-based crowdfunding as the major channel.

Kickstarter is the most frequently used reward-based platform in Slovenia and is renowned as "the most serious" in the crowdfunding community. Statistical data show that Slovenian-based Kickstarter campaigns have an average success rate of 43%, which surpasses the global average of 37% (Štepec, 2020). We sample from Kickstarter campaigns, because it offers an all-or-nothing model, which requires a more thorough preparation of the campaign (compare to keep-it-all model, where founders receive the pledged money regardless of reaching the target amount). Adding other reward-based crowdfunding platforms, such as projects from the Indiegogo platform, could increase the research's recognition; on the other hand, the differences between the two platforms and keep-it-all model could produce less accurate and incomparable results.

TA works with most types of qualitative data, including interview data (Braun & Clarke, 2012). The number of interviews may vary depending on the project's size and scope, because TA focuses on identifying patterns across data. According to Braun and Clarke (2013), the number of interviews could not be set arbitrary for each research; however, a smaller reflexive TA project should include between 6 and 10 interviews, medium TA project between 10 and 20 data items.

A semi-structured in-depth interview format was used to collect experiential data, focusing on the founders and their understanding of strategic elements. The population was conceptualised around the following parameters: Kickstarter campaigns based in Slovenia (to locate the study within the local socio-cultural context) with at least one backer, one comment, and one update, and that had raised at least 10% of its target goal. The parameters guarantee that the chosen teams had prepared their campaign accurately (according to the default by Kickstarter). From the 44 campaigns that were on Kickstarter between 1 January 2016 and 31 March 2017,[1] 13 did not meet the criteria. From all remaining, 11 founders replied to our invitation and voluntarily participated in the data collection process. Among those, 9 campaigns were successful and reached the target goal, while two campaigns were not successful. The interviewed founders were in average male, 8 of them have not had prior experience of crowdfunding, while 5 of them were experienced crowdfunding entrepreneurs (for more details, see Appendix, Table A1). The interviews lasted between 40 minutes and 80 minutes, with an average length of 60 minutes. The interviews were audio-recorded with informed consent. We structured the interviews according to a framework composed of four general topics: introductory questions, pre-campaign activities, activities during the campaign, and strategies. In the end, participants had the opportunity to ask any additional questions or provide supplementary information. All interviews were transcribed verbatim and interviewees were given pseudonyms to assure their anonymity.

Although reflexive TA is theoretically flexible and can be carried out in different ways, it requires the researcher to make a series of choices and a theoretically informed framework (Braun & Clarke, 2012; Clarke et al., 2015). We approached the TA from a critical realist framework, assuming that meaning and experience are articulated through language that is more or less an accurate and truthful index of reality. We conducted data-driven inductive research, presuming that the starting point of the analysis was within the data, rather than in existing concepts or theories (Braun et al., 2019). We used a flexible coding system, which allowed for open engagement with the data. The analysis involved reflexive practices, which required a constant reflection on our position concerning our subjective understanding and our different ways of making sense of the accounts of others. This approach

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[1] The total number of crowdfunding campaigns based in Slovenia between 1 January 2016 and 31 March 2017, when data collection took place, was 100 (44 on Kickstarter, 32 on Indiegogo, and 24 Adrifud).

enabled us to identify themes at the semantic level (Braun & Clarke, 2006).

2.2 Data analysis

Interviews were analysed using the six-phase reflexive TA procedure: familiarisation with the data, generating codes, constructing themes, reviewing potential themes, defining and naming themes, and producing the report (Braun & Clarke, 2012). The initial phase, familiarisation with the data, began during the collection of the data. The process involved carefully reading and re-reading the interview transcripts and writing notes. The second phase comprised code generation. If familiarisation was a process of making casual observational notes, coding was a systematic and thorough identification of relevant information within each data item (interview) and tagging them with a few words or a pithy phrase to capture the conceptual meaning behind (Clarke & Braun, 2017). Initial coding identified interesting features of the data. Codes either stored information about the Kickstarter campaigns or were more analytical, representing a link between the data and the strategic elements and tactics used. In the interview transcripts, various sentences, phrases, or clauses were assigned a code. To minimise subjectivity and to maintain the original meaning, codes largely mirrored the participants' original words. Combining and collapsing codes together into bigger or more meaningful patterns (i.e. themes) to identify features of similarity and relationship was the main objective of the third phase — constructing themes. Codes were organised into potential themes using QSR NVivo. Similar codes were grouped into broader themes, and some codes were classified under several themes. At a few points throughout the analysis, the codes were reorganised to reflect the themes present in the data better. At this stage, we created provisional or candidate themes. When all interviews were coded and all codes were classified under draft thematic headings, we systematically reviewed the themes to identify coherent patterns. Patterns have to be identified across the entire dataset and not just within a single interview. In this phase, some themes were merged, and some new ones were created to ensure that the themes worked well with coded data and research questions.

Themes were organised hierarchically into subthemes and further defined by labels to highlight the issues central to the themes. In this pre-final phase of the theme definition, we moved away from themes as lists of collated codes towards an interpretative orientation. The final themes captured the patterns of meaning, representing the full range of experiences across the data in relation to strategic elements. The final step resulted in the production of the report.

3 Results

Following familiarisation with the dataset and coding, 14 initial candidate themes were generated. Upon further revision, four main strategic elements ("themes") were identified as distinctive, coherent, and relevant to the research questions: *Bringing backers to the platform*, *Applying good practices*, *Providing product experience*, and *Tactics of figures*. The subtleties and nuances within each theme necessitated breaking these four themes into smaller categories and subthemes (Fig. 1).

3.1 Bringing backers to the platform

Traditional funding methods are related to a specific group of funders. This cannot be said about the crowdfunding audience, because every funding proposal has a relevant audience of interested people — backers who identify themselves with a given proposal and financially support the idea (Josefy et al., 2017). With the recognisability of Kickstarter, the numbers of launched campaigns and backers have increased. Therefore, amidst the flood of numerous products and campaigns, it is getting harder to stand out and grab the attention of backers. In the interviews, finding these backers and bringing them to the platform appeared to be one of the strategic elements that immediately stood out. Most of the founders admitted that it was not viable to be funded without pre-campaign activities and publicity, because backers rarely come at random or through a filter search:

> When I first went to the platform, I had no clue what I was doing, but I wanted to try and see what would happen. It was a big blunder, because I didn't prepare anything. I thought that Kickstarter was the magic platform where you put the product, and you receive money [...] No, it's not like that anymore. You have to work hard before launching the campaign. (CF7)

In analysing the interview data, we divided the founders' attempts to capture and bring backers to the platform into two distinct subthemes: Building a community with social media and Engaging influencers. Most interviewees tried to combine both strategic elements in a single campaign.
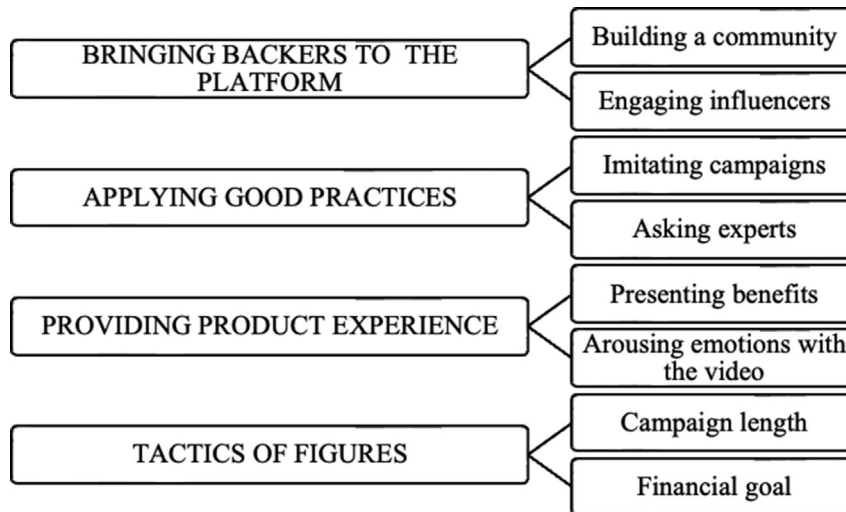
Fig. 1. Themes and corresponding subthemes.

3.1.1 Building a community

Participants were asked to talk about their relationship with social media. This led interviewees to reflect on the role, presence, and importance of social media platforms. The role of social media was mainly associated with building a community − attracting groups of people who share the same interest and have a sense of belonging to a unit. The community was defined according to personal interests, common causes, problems, or social challenges:

> We were basically building some kind of community on Facebook, through anything related to the vinyl industry, records; from musicians to different turntables and design. We somehow brought the group we were targeting together to our FB page. (CF5)

Creating a pool of sympathisers who would then move over to Kickstarter and back the campaign once it was launched was the primary approach used by founders. In doing so, they adopted a variety of different channels, from Facebook to Instagram, YouTube, and other specialised forums. Knowing the product and understanding the nature of potential backers helped them to choose the right platform. Josefy et al. (2017) proved that the nature and characteristics of the community have an impact on crowdfunding success. Therefore, being omnipresent will not have a significant impact; it is better to be decisive and find the right platform that matches the profiles of potential backers. Similarly, one of the founders explained:

> Our primary weapon, in terms of social networks, has always been YouTube. We also have Facebook,

Twitter, but there's not much going on for us. On YouTube, things were different; we had more subscribers than elsewhere, about 8,000 at the beginning. The tactic was to post dev blog videos and increase popularity so that they would start talking about us. Before the YouTube channel, we had a bunch of friends on Steam. From those people a network of supporters evolved, converging into the Reddit community and later YouTube. […] The other is a forum: supporters are isolated, separated on social networks; they are not interacting with each other. Once they came to the forum, they started talking and making their creations. And that's when they become real supporters, the ones who spread the project around and attract new followers. (CF6)

During the campaign, another community may grow-up through interactions within the crowdfunding platform. Most platforms offer means to foster internal connections, such as discussion forums, web messengers, backer profiles, and backer groupings (Skirnevskiy et al., 2017). In this way, backers who financially support the campaign have the opportunity to comment and ask questions. By replying and writing updates, founders build trust, empathy, and commitment among backers (De Luca et al., 2019). The results showed that the use of updates and funder involvement in the development of the project could have a stronger association with campaign success (Mastrangelo et al., 2019) than the project's description (Xu et al., 2014). This secondary community and the potential to develop lasting relations with backers is especially crucial for (serial) founders who repeatedly rely on crowdfunding and return to the platform.

3.1.2 Engaging influencers

The popularity of bloggers on social media has introduced a new form of marketing: influencer marketing, wherein brands collaborate with influencers to promote their products. Bloggers have become opinion leaders, and their posts impact customers' decisions. Therefore, they are referred to as influencers. YouTube, Instagram, and Facebook often present platforms for influencers to share their opinions on tested products (Ladhari et al., 2020).

Funders tend to contribute to projects that they believe in and identify with (Schwienbacher & Larralde, 2012). In search of an effective way to bring backers to Kickstarter, the founders recognised the potential role of influencers and started utilising them. Through the virtual word of mouth of influencer marketing, backers are more likely to perceive and positively react to the product being presented.

A good campaign can boost the reputation of a venture project and signal quality through opinion leaders' and project ambassadors' involvement (De Luca et al., 2019). The underpinning logic is that engaging famous people or trendsetters may attract backers:

> We focused on worldwide famous people from Lego world who had blogs, YouTube channels, were known in the community and had followers. We sent them the prototypes and asked them for their opinions. They have extensive networks; just one of them has over 100,000 followers. When he published a review, he exposed us, and people who otherwise wouldn't have found us did. He posted when we asked, just before the Kickstarter release. […] When analysing where most of our supporters came from, it was from two influencers. (CF1)

In this case, backers did not come to the campaign directly via social media, where the founders were collecting interested members of the public, but were guided to the platform by influencers. An influencer can be an individual with thousands or millions of followers or a specialised agency with a trusted reputation and countless crowdfunding enthusiasts and interested public in their address book. One founder examined their experience:

> After we signed the contract, the Business Insider published our project. The first day we raised $ 25,000, and then it just exploded and went viral. Everyone started posting; millions of people saw our video. […] We'd been building the community for six months without enough visibility and effect. The fact that Insider exposed us had such an impact. Someone with influence must expose you. Otherwise, you cannot succeed; that's it. Without them, our campaign wouldn't have been successful, because even if we had deeply engaged with one video, we could never have reached 40 million views, 360 thousand shares. (CF8)

3.2 Applying good practices

Starting a new venture is always challenging, especially for young entrepreneurs who lack prior professional experience (Mollick, 2014). A venture's lack of a track record results in liability of newness (Nagy & Lohrke, 2010), which makes it challenging to persuade providers of resources (e.g. customers, investors) to conduct business with a firm. In order to approach key resource providers, founders often learn from analogies and practices applied by peers.

Entrepreneurs often benefit from observing others' successful and unsuccessful initiatives and developing intuitions about what types of behaviour contribute most to project success. Through the transfer of experience in the form of procedures or similar routines, founders benefit their campaigns (Yang & Hahn, 2015):

> We found on YouTube that campaign that had raised € 1.3 million. They set up the campaign in 14 days, but we worked on it for seven months. They invested all the money, and they knew everything, whether it was good or not and how it worked. We set our campaign relying on this video and all the knowledge they had shared. If I had had all this knowledge, I would have made it all by myself, but I didn't, and therefore I used others' know-how. (CF8)

Implementing crowdfunding experiences from experts and outstanding campaigns (good practices) represented a strategic element for the founders. The interviewees noted that imitating campaigns was the primary approach, while asking for advice helped to upgrade initial approaches.

3.2.1 Imitating campaigns

Mason and Harrison (2006) exposed that many entrepreneurs recycle their resources after failures to create new ventures. However, entrepreneurs do not recycle only their resources; they reuse components developed by others (Stritar & Drnovšek, 2016). When facing resource constraints, bricolage — recombining existing resources to create new ones — seems to be a legitimate approach to problem-solving (Senyard et al., 2009). Even in environments where resources are not scarce, bricolage still plays an important role (Stritar & Drnovšek, 2016).

Some founders took into consideration the whole campaign and built their base on this model; others

instead made a collage of different campaigns or implemented parts of campaigns that had worked for others. Founders believed that looking at successful practices as role models would influence attracting backers:

> We examined similar Kickstarter campaigns and prepared our video and the overall appearance of the campaign based on three others; ZipChip, a similar product to ours, then Oto and Fidget Cube, which was one of the most successful campaigns on Kickstarter. They raised $ 6.5 million. If they had collected so much and we followed their example, something would work. We combined all three campaigns, what we liked in each, and then we made our campaign according to that. […] From ZipChip, we took the dimensions of the product. Some others had opinions, and we incorporated opinions in our presentation. We were composing a collage. Everything we liked and thought was good we pasted together. We couldn't use ZipChip's video, because it was recorded by phone and it wasn't professional. From others, we also copied the scene in the workshop to show the development and the production. (CF9)

The observation was perceived as being particularly helpful not only to identify cases to follow but also to spot mistakes to avoid. An intriguing strategy was adopted by one team. Instead of implementing what worked for others, they took the opposite approach:

> We studied how all the campaigns looked, and they all went into that hipster scene. […] We said we couldn't go that way, because it would not have much effect if we were the same as others. We said we had to do something completely different: no bricks, no flowers, no hipster flats. Moreover, we even skipped the intro trailer in the video. (CF5)

3.2.2 Asking experts

Reliance on expert advice is a common practice in decision-making processes. The founder may lack the knowledge to find or analyse the information needed for critical decisions and may rely on expert opinion (Bhattacharya & Mukherjee, 2013). The subtheme Asking experts focused on the founder's position to search and use expert knowledge and advice in the campaign. Asking an expert is simple and cheaper than doing market research or a test sale. Founders referred to an expert when talking about a person or professional usually known in the crowdfunding community or other fields (e.g. digital marketing, photographers, video directors). Common to all experts was the power to give information or opinion regarding specific crowdfunding steps. Different team members talked about various times during the pre-campaign when they had used such elements. Some needed advice already in the stage of product development, while others needed it only later. Some founders met experts by chance, but in most cases, the process of searching and choosing experts for advice was done carefully:

> We had a written text that we sent to someone familiar with these things. We described how it should look, the product, the target audience, and what we were looking for. […] We approached N.K. and asked him how he would do it. We also went to Chipollo and P.Z. (CF8)

Reaching experts seemed to be more accessible for those with a broader social network and higher numbers of interactions. For some founders, their use of expert knowledge went beyond a strategic element; CF10 connected it with a broader concept of sharing and reciprocity:

> You have to be aware that in life you are never able to do everything by yourself, and when you reach a friendly level with someone, he or she is more willing to help. I first searched in the circle of close friends, then through people who knew people. Sure, you have to pay many of them. And you also have to return some favour. […] We met with someone who helped many campaigns and told us to test and try a little. The same story was with the text content. We were advised by a woman from a campaign based on wood; she was from the same industry. (CF10)

In many instances, entrepreneurs emphasised the specific role of the crowdfunding community, where people knew each other and where experts were accessible. Even if they did not know whom to ask, they managed to find someone who could direct them to the right expert:

> The community in our country is so small that you somehow know people, you know whom you have to ask. Someone will always help or suggest someone to you. (CF5)

3.3 Providing product experience

Potential backers, in particular those without strong ties to founders, need to be convinced of the value of the product (Clauss et al., 2019). Of all the identified strategic elements, Providing product experience was the most substantial and complex, manifesting in direct and indirect ways. Participants in "studying crowdfunding" identified the product and its presentation as one of the crucial elements of success:

An excellent product is a precondition. If you don't have a product with potential or that people want to buy, it makes no sense, it's hard to do anything. I must emphasise that we made a phenomenal product with outstanding functionalities. (CF2)

Founders described two types of products, both requiring a distinct approach: an outstanding, unique product that sells itself, and a product that solves a problem or improves performance:

You have projects on Kickstarter, just like me, that solve a problem. I show the problem and the solution. Then you have others with an outstanding, top product, excellence. This is challenging, and everyone wants to have it. (CF7)

Founders pitch their product or idea using text, which may be supported by images and videos. To persuade backers to contribute to the campaign, the interviewees exposed two distinctive subthemes providing a tangible product experience: Presenting a product's benefits and Arousing emotions with the video.

3.3.1 Presenting benefits

Product features include all the characteristics of the product related to its components and appearance. Features often address common problems experienced and provide a solution or an improvement:

We always pay attention that our products are sophisticated, functional and elaborately presented. The combination of this is the winning key. We combined three different methods of making coffee into one machine, plus we added a scale. The uniqueness of the product, the design is unique, functionality and technology. We incorporated three devices in one, plus technology and the application. Moreover, everything was measurable. (CF2)

In a competitive market, to maximise the value of the product, founders must present a benefit or set of benefits for the end-user beyond the product features. Benefits are the results that a consumer will experience by using a product or a service (Wenben Lai, 1995). In other words, these benefits are the reason why the potential of the product is realised. From this perspective, highlighting the benefits of certain features represents a strategy to shift part of the emphasis on the experience of the product or service:

What our product has we call features: power, speed, accuracy, range, and easy battery charging via USB. These are technical qualities. But then you have to present this feature to customers as effectively as

possible: through video, through photos and text. If I tell you our product has 13.7 volts, it doesn't mean anything. But if I say that you will now go 30 km/h instead of 20, this is something else. The customer immediately understands that his car will be faster; he may now drive up a steep slope, which he couldn't do before. We decided to highlight these. We made a list, and we sorted them by priority, which is difficult because not all benefits are equally important and meaningful to people. (CF1)

The value that backers are seeking from the product may be multidimensional: to meet a need for enjoyment, to satisfy novelty, to affirm one's social status, and so on. Some founders tried to present the product by emphasising the perceptual benefits acquired from experiencing the product as a whole.

We bet on the whole experience because that's what matters. It's hard to sell the turntable that is levitating, even if it has exceptional features and is levitating. Therefore, we presented the uplifting experience of listening to music. And this made the difference. (CF5)

3.3.2 Arousing emotions with the video

Previous findings on video use in reward-based crowdfunding campaigns have been ambiguous. Lagazio and Querci (2018) confirmed that videos negatively affected potential backers' attitudes towards investing, because they preferred detailed textual descriptions. However, this finding does not disprove that a combination of images, animation, and audio may generate a higher level of narrative comprehension (Dikaputra et al., 2019). Our data showed that the video presentation is still one of the most challenging and demanding strategic elements necessary to persuade backers:

I think that you need to convince backers with the video, because 80% of people will watch only this. In the video, we didn't explain the functionality and benefits, as in the text; we wanted to include feelings. (CF2)

Emotions represent intense and complex psychological states that involve a subjective experience, physiological response, and behaviour. Emotions may influence funders' attitudes towards a project and, in turn, influence their decision to fund it (Wuillaume et al., 2019). It has been suggested that entrepreneurial emotions expressed through narratives participate in the formation of funders' opinions of the entrepreneurial project (Jennings et al., 2015). Not surprisingly, interviewees mentioned emotions many times,

notably in the context of the video presentation of the product. Founders tried to include in the videos everything that, in their opinion, would arouse emotions − from impressive new items to solutions the product offers. They frequently expressed how lifestyle and situations were connected to positive feelings:

We wanted to present that the product is healthy and natural. We targeted emotions because people respond to it. I read about it. We tried to include emotional things; we put a couple and a mom with a baby in the video. (CF11)

There are lots of dumb videos which, after two minutes of watching, don't say anything or you even don't watch them entirely. We said let's do something purely action with riding, jumps, having a good time with friends, and drinking beer at the end. We tried to present the product, which is the best winter alternative to cycling, and the whole lifestyle of the community. (CF3)

According to Davis et al. (2017), entrepreneurs' funding pitches need to evoke positive emotional reactions in potential funders, therefore founders put effort into the video not only to highlight the product but also to present the team and thus emphasise the credibility and passion of the founders:

The video has a trailer at the beginning, and then a part in which Philip and I explain the game. Maybe it wasn't ideal. As I've seen, the most successful campaigns have a presentation of the product, just like us, but then the video also shows the team. So, backers can feel all our passion. (CF4)

3.4 Tactics of figures

Frydrych et al. (2014) discovered that lower funding targets and shorter campaign durations signalled greater legitimacy, as the campaigns set modest and achievable expectations.

The reward-based platform Kickstarter, like many others, requires users to set two numerical parameters for their project: the campaign duration (in days) and the amount of money requested (in US dollars). When including these two parameters as subthemes, the strategic elements involved surprised us. We did not expect interviewees to identify these as significant factors:

We intensely followed Kickstarter the year before our campaign. We kept track of all statistics and explanation of statistics, from when to go to Kickstarter (which month, what day, what time) to when to finish the campaign (on Sunday 8 AM or Wednesday 8 PM GMT/UTC-4). In theory, we elaborated everything, but in practice, we failed to follow all the instructions and plans, because then we would have had to launch in July and August, but we didn't want to, just as we didn't want to wait for September. How did we decide for 30 days? Supposedly, it is empirically proven that 30 days is the best and we believed it. (CF1)

3.4.1 Campaign length

Previous studies have claimed that the length of the funding period does not have a significant effect on achieving the funding target. Wati and Winarno (2018), for example, found that financial success was not significantly affected by fundraising duration. However, Lagazio and Querci (2018) argued that potential backers might appreciate more extended periods of time to understand the project's specifications. If more time is available, investors can thoroughly evaluate projects' opportunities and risks, overcome information asymmetry, and screen projects effectively.

Our data showed that the duration of the campaign was a critical strategic element. Founders talked about the importance of maintaining their activity at a certain level, which could be challenging for small teams and longer campaigns. Some participants referred to the duration of the campaign ambiguously. On the one hand, they argued that it was an arbitrary decision, but on the other hand, they thought hard about the number of days:

Everyone recommended 44 days to us. Even in the first campaign, we did 44 days, which was a coincidence. Otherwise, the decision on the campaign length was quite spontaneous. We targeted between 30 and 60; 30 was not enough, 60 (which is the maximum) was too much. Maybe we're sorry we didn't take another week. Perhaps we could have got more money. Someone told us to take as much [time] as possible, because it couldn't harm. Backers don't care if you do 60 or 30 days, but others said to us that it was also important. Then we chose 44 days. (CF9)

In two cases, founders spoke about campaign length, highlighting the importance of the launch time. We did not feel that this warranted creation of a further subtheme, but it is important to emphasise the connection between these two elements:

We completely chose the wrong time. The reason for the failure of the first campaign was the timing; the campaign was held in the last two or three weeks of the year and the first two weeks of the new year. The

first two weeks were pretty good, but during the Christmas holidays, we didn't get a single backer. During the holidays, people weren't on Kickstarter. In the second campaign, we changed the time and the season. We were strictly to launch on a Tuesday and ended on a Thursday. (CF9)

To be honest, we wanted to catch the summer. Because of procrastination and problems that were occurring, we launched on the worst date. We signed up in August when the failure rate is high, plus one week before the Olympics when no one was following Kickstarter, or they were but less than usual. Maybe this was the reason why we failed. If only we had changed the date, it could have been different. (CF11)

3.4.2 Financial goal

Previous research has found the link between the funding goal and success to be significant: the higher the funding goal, the lower the chance that a project will be successfully funded (Koch & Siering, 2015). According to the Kickstarter algorithm, the sooner a project reaches its target goal, the higher Kickstarter ranking and eventual exposure of the project. Most of the participants noted that calculating and manoeuvring the financial goal defined on the Kickstarter website was the subject of debate. One founder noted:

With Kickstarter, you have to set a purely financial goal. You don't set a financial goal based on how much money you need, but based on how much money you can get. Many people wash out because they calculate that to complete the whole project, they need 200,000, and set a target at 200,000. Based on a calculation of how much we could collect, we set a funding request. If we had decided based on how much money we needed, the number would have been higher and the chance of achieving it smaller. In any case, it is harder to achieve higher targets, because you must invest a lot in a press release, social media, marketing. (CF1)

The founders struggled to establish and calculate the financial goal. Some of them consumed a lot of the pre-campaign time on this issue, since they perceived it as an essential strategic element. This finding is in line with Chen et al. (2019), who asserted that the funding goal affects backers' behaviour via an all-or-nothing mechanism. One interviewee explained:

Some of our YouTube videos had 200,000 views. These were impressive numbers. We predicted that we could get $ 80,000 and set the goal for this amount. If we got that amount, it would be enough money to do

something and run the project. We didn't want to raise too much. It was too risky. It was better to get at least something rather than nothing. This was the first stage in which we estimated our range. […] We were looking at many things and decided that we could certainly get $ 80,000, more likely $ 150,000. In the end, we raised $ 300,000, which was the amount we had estimated based on similar campaigns. (CF6)

4 Discussion

Crowdfunding is an alternative financing model that has emerged as an additional source of entrepreneurial financing to fill the gap between professional capital providers and family and friends (Skirnevskiy et al., 2017). The considerable growth of crowdfunding over the last several years has not only encouraged entrepreneurs to adopt different forms and operating models (Mollick, 2014) but also increased scholars' curiosity. Even so, many critical aspects of resource acquisition remain misunderstood. To start a crowdfunding campaign, founders must apply to the platform with detailed information about the project (Belleflamme et al., 2014; Bruton et al., 2015) and the background. Effectively presenting this information is assumed to be a crucial component of success (Mollick, 2014). However, analysing only the information available on the platform without primary data gained from project founders could produce weak insights and misinterpretation of the phenomena (Solesvik, 2016).

The goal of this study was to explore the strategic elements of reward-based crowdfunding, identifying a set of elements that founders use in their campaign to influence backers' decisions positively. We did not rely on the online (secondary) data about campaign strategies available due to the limitations − such as that many platforms provide a strict template which may force founders to adjust the elements and strategies that they are to use. We wanted to hear the story behind the scenes and assess them against the existing knowledge on crowdfunding.

New ventures often act successfully in identifying opportunities but have problems in designing competitive advantages. Crowdfunding seems to integrate both. However, founders need to strategically operate to convince backers to be successfully funded. Our exploration of the strategic elements − actions taken by founders to attract backers who will financially support the campaign used in reward-based crowdfunding with a reflexive TA approach identify four relevant elements. The strategic element Bringing backers to the

platform encompasses the founders' direct marketing efforts to inform potential backers. We divided this theme into two subthemes: Building a community and Engaging influencers. According to Borst et al. (2018), founders often broadcast their project on various social media. Our data revealed that founders indeed used multiple social media platforms when building a community. Nevertheless, the founders predominantly identified and targeted the one that they perceived as most crucial. In this context, some previous studies have found more selective marketing strategies and confirmed that simultaneously feeding multiple social media platforms with much similar content in the spirit of "more is always better" seems misdirected (Clauss et al., 2019). To attract backers, founders also communicated with their backers with the help of influencers. Utilising influencer marketing and engaging a trusted and admired person or entity is more likely to be perceived as positive compared to a sponsored post from a company (Sokolova & Kefi, 2020).

A diversity of acquired experiences by entrepreneurs has a vital role in opportunity recognition and firm innovation (Prebil & Drnovšek, 2017). Whether the founders imitated successful campaigns or applied experts' advice, they all used the strategic element Applying good practices. This view supplements Kaartemo's (2017) conclusions that building a campaign by relying on empirical data, and the experiences of others can help in the design of rewarding strategies. Our results support Thürridl and Kamleitner's (2016) conviction that crowdfunding campaigns are widely designed based on intuition (what founders like from others). Many of the founders interviewed also talked about acquiring knowledge from experts (mainly from the crowdfunding community), which demonstrated how a vast social network could facilitate early-stage contact with experts (Kraus et al., 2016).

The exhaustive and in-depth narration about the product itself resulted in a strategic element called Providing product experience and two subthemes: Presenting benefits and Arousing emotions with the video. Founders shared Sagerman and colleagues' (2019) conviction that the most crucial aspects of success are the product and its presentation. Funders' perceptions of the product characteristics affect their decision to back a project (Davis et al., 2017). According to Wuillaume et al. (2019), when visiting a reward-based platform, backers are looking preferably for emotions they can identify with.

The fourth theme, Tactics of figures and its subthemes, Campaign length and Financial goal (which are default requests of the Kickstarter platform),

came as a bit unexpected. Previous findings on this topic seem inconsistent. In recent research, Dikaputra et al. (2019) revealed that the duration of the campaign, whether extended or not, had no significant effect on the campaign's success. By contrast, Lagazio and Querci (2018) found that campaigns that lasted over 30 days were more likely to achieve their goals. The idea of choosing the length of the campaign provided founders with a feeling of safety and helped them to deal with the unknown. Larger projects, especially those over US$ 100,000, are perceived as being unreasonable. Therefore, setting challenging but achievable goals is significant (Dikaputra et al., 2019). This evidence is in line with our finding that the founders tried to set appropriate financial goals to outsmart the Kickstarter formula and to make the most of the crowdfunding opportunity. In fact, the Kickstarter support page recommends setting a campaign at 30 days or less (Kickstarter Support, 2020), but most of our interviewee did not take it for granted.

The results of our deep engagement with the data captured from founders are primarily consistent with the findings reported by several prior studies drawing from the reward-based crowdfunding data. For example, Dai and Zhang (2019) extended prior research on consumer behaviour and showed that backers consider project quality and the requested funds. Yes, the motive in that study was mainly prosocial. Nevertheless, the study by Dai and Zhang (2019) indicates that Financial goal, as emerged from our study matter. According to Wuillaume et al. (2019), perceived emotions shape the funders' attitude towards supporting a project, which is congruent with the arousing emotions with the video strategic element that we identified in our research. The strategic element building a community has been identified already by different scholars (Giudici et al., 2018; Josefy et al., 2017) who showed that funders who build a community and are connected in some way to a particular project are more inclined to support it financially. From this perspective, the primary data yielded similar conclusions as studies based on the secondary data available on a crowdfunding platform; therefore, the secondary data reflect what is happening behind the scenes to a certain extent. However, our research identified some strategic elements that have not been captured in the research or made visible on the project web page. The strategic element Applying good practices and its subthemes notably stood out. Upon first glance, it seems that using examples and bricolage represents just a first step in the pre-campaign activity; however, further exploration shows a different picture. Abundant scholarly and

practitioner evidence suggests that start-up ventures are innovative. This is a legitimate finding when evaluating the novelty of its products and services. In terms of strategic elements to persuade backers, well-tested approaches from the past, such as successful campaign pitches, seem the safest guide to follow. All of the interviewed founders chose some examples to follow. The campaigns included in the analysis are a patchwork of different crowdfunding-related techniques that had worked in the past. The importance of this strategic element in achieving success has previously not been taken into consideration, nor has the importance of engaging influencers. Influencer marketing is becoming an omnipresent phenomenon, even in crowdfunding. The impact and implications of this element could be a topic of future interest. About the video presentation, some contradictory finding has emerged. Previous research results have demonstrated that videos do not systematically lead to enhanced persuasion of potential crowdfunders (Lagazio & Querci, 2018). Our results, however, showed that founders were unified in terms of the video presentation, perceiving it as a crucial element, especially for arousing backers' emotions.

While we have shown the critical role and distinctiveness of each theme and subtheme, it is also evident that the identified strategic elements cannot be isolated. All four themes and their subthemes are intricately related to and complement each other. For instance, setting a financial goal is connected to the community that one can build. Furthermore, in building a community, founders also incorporate the presentation of features and benefits in the pitch on the platform.

Our data confirmed that strategic elements of backers' persuasion in reward-based crowdfunding are a bunch of actions taken by founders in the pre-campaign and early campaign period. To address backers and their expectation, founders used different approaches, some of them more thorough and others less. Combining them, it seems that this process is much more intuitional than strategic.

4.1 Implications and limitations

This paper contributes to enriching reward-based crowdfunding knowledge in several ways. First, we have addressed Kraus and colleagues' (2016) appeal for a qualitative exploration of the unresearched aspects of crowdfunding in the process, which are related mainly to the role of entrepreneurial individuals. Second, the campaign data presented on the crowdfunding platforms' web pages do not offer an in-depth view. This study examined the founders'

perspectives and use of strategic elements associated with attracting backers, and eventually financial success. Finally, we introduced a reflexive TA approach to the field of entrepreneurship, which enabled us to explore the phenomenon based on primary data provided by the founders in a way that was not theoretically driven. The study has inspiring implications for practitioners, since the results can guide practitioners with useful tips and advice. It can help project creators identify what strategic elements other successful and unsuccessful founders have used and determine what is most important in crowdfunding campaigns. Practitioners can compare those funding approaches with their own thoughts and different pitches on Kickstarter. Moreover, new venture teams and future start-ups can learn how to prepare their projects in ways that will best stimulate backers' interest and encourage them to support the idea, since it is evident that data available on platforms do not reveal the whole picture. The study also reveals a new profile of entrepreneurs − crowdfunding project's founders, which could be of interest for future analysis of the phenomena.

As with any research, there are several limitations to the study. First, the collected data were based on voluntary participation. Since the study involved in-depth interviews, it might have attracted founders who were more willing to discuss their experiences of crowdfunding. Researchers may consider a more anonymous approach allowing less extroverted founders to tell their story. Another limitation is related to the retrospective nature of the research. The interview narration may have potentially been affected by the campaign results. The inclusion of founders who were in the early stage of their campaign (before the launch) or during the campaign could have generated slightly different results. Therefore, successive studies may consider real-time reports of events or even in-person observation. The study presented results using data collected from one reward-based crowdfunding platform, Kickstarter. Expanding the scope of the research to other forms of crowdfunding may emphasize other insights. Nevertheless, we believe that relying on the data collected from campaigns published on a single platform does not represent a substantial concern. However, future research opportunities may be associated with collecting the data from different platforms, and examining their potential heterogeneity. The research's final output could be of interest to different stakeholders, even if it is not appropriate to generalise the results and proclaim the four strategic elements to be concrete. Generalisation, however, was never the aim of the research. Data were analysed through a critical

realist framework using a reflexive TA approach. Adopting a different method rooted in other theoretical propositions could result in different emergent themes and conclusions.

In addition to the limitations and future research avenues discussed above, it seems necessary to develop a deeper understanding of some unresearched strategic elements. Based on our findings, the strategic element of Engaging influencers needs further engagement. In recent years, influencers have been shaping the social media and are tightly connected with crowdfunding community. As a starting point, the papers by Sokolova and Kefi (2020) and Ladhari et al. (2020) may elucidate critical influencer marketing events. This strategic element is undoubtedly connected also with building a community, as identified by our research. Another strategic element that allows avenues for future research is applying good practices. Scholars are familiar with the idea of recycling of resources (Stritar & Drnovšek, 2016). It will be interesting to understand whether and under what conditions crowdfunding entrepreneurs decide to use it. To advance our knowledge of backers' persuasion, we especially encourage future research to shed light on the process of persuasion from the backers' perceptions of these strategic elements.

5 Conclusion

Previous research has indicated that crowdfunding success is associated with human capital, social capital, language and rhetoric, product attributes, and pro-social orientation. Although crowdfunding has attracted considerable research interest in recent years, it has not been systematically and thoroughly explored. Findings have frequently been inconsistent, as the contexts of the research have diverged considerably. This paper explored the strategic elements of crowdfunding — founders' decisions and actions taken in successful and unsuccessful reward-based campaigns that they believe will attract backers and consequently contribute to an effective campaign. More specifically, the results showed that founders adopted four different strategic elements: Bringing backers to the platform, Applying good practices, Providing product experience, and Tactics of figures. These findings are an outcome of a comprehensive approach and deep engagement with primary data collected through 11 in-depth interviews with 13 founders. Some of the identified themes and subthemes are consistent with the existing literature and theories, whereas others seem emergent. Exploring these strategic elements gave us insight into the campaign creators' mind and opens up new opportunities for immersion in the phenomena.

Conflict of interest

There is no conflict of interest.

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Appendix

Table A1. The overview of respondents.

Pseudonym	Gender	Year	Category	Length (in days)	Founder history	Money pledged (US$)	Goal (US$)	No. of backers
CF1	M	2016	Technology (gadgets)	30	1st	$55,165	$50,000	318
CF2	F	2016	Design (product design)	60	2nd (1st also successful)	$501,612	$50,000	2389
CF3	M, M	2016	Design (product design)	45	1st	$14,154	$64,000	64
CF4	M	2016	Games (video games)	41	1st	$2665	$2500	188
CF5	M	2016	Design (product design)	40	1st (participated in another successful campaign)	$552,178	$300,000	717
CF6	M	2017	Games (video games)	30	1st	$298,608	$80,000	4375
CF7	M	2017	Fashion (accessories)	60	2nd (1st also successful)	$101,193	$5000	2343
CF8	M	2016/2017	Design (product design)	45	1st	$143,477	$18,000	4057
CF9	M, M	2017	Design (product design)	44	2nd (1st unsuccessful)	$12,510	$10,000	492
CF10	F	2016	Design (product design)	30	1st	$18,666	$17,000	86
CF11	M	2016	Fashion (footwear)	45	1st	$5643	$10,000	81