A CONTENT ANALYSIS OF KICKSTARTER: THE INFLUENCE OF FRAMING AND REWARD MOTIVATIONS ON CAMPAIGN SUCCESS

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DEDICATION

Completing this study is one of the greatest challenges I have accomplished to date, and would not have been possible if it were not for the support of my family, friends, and Journalism and Media Studies facility mentors.

I would like to thank my parents for their continued support. Without them I would not be where I am today, and for that I am forever grateful. I would also like to thank my entire thesis committee, especially Dr. Joel Davis, for their guidance and insight throughout this process.

It has been a great experience, and although it is over I will carry what I have learned, academically and spiritually, with me throughout the rest of my life.

Thank you
Without knowing the force of words, it is impossible to know more.
—Confucius
ABSTRACT OF THE THESIS

A Content Analysis of Kickstarter: The Influence of Framing and Reward Motivations on Campaign Success

by

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Crowdfunding has recently become a popular method used by today’s entrepreneurs to gain funding for their projects, while avoiding risky bank loans. The leading crowdfunding platform in the United States, Kickstarter.com, will guide the research into this newly emerging area of study. A content analysis of the site will be performed to gain an understanding into the implications message framing has in determining the success or failure of Kickstarter campaigns. Additionally, the research will seek to uncover to what extent conditional cooperation has on influencing the amount of funding obtained by Kickstarter campaigns, resulting in their ultimate success or failure.
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CHAPTER 1

INTRODUCTION

In recent years the world has gone through a profound shift, brought on by the emergence of the Internet. During its infancy, the Internet provided individuals with the ability to search for information, products and services, but only a small number of people actually possessed the ability to create their own original content. To create content on the Internet, during the “static Web” (dial-up) era, it was necessary to have a strong understanding of hypertext markup language (HTML) computer coding; however, as the years progressed, so did the Internet. The complexity, so strongly associated with the static Web, quickly vanished with the emergence of high-speed Internet connections: propelling its inevitable evolution to Web 2.0.

Web 2.0 provided Internet users with the unprecedented ability to communicate, share, and perform business without prior knowledge of HTML coding: arming users with the capacity to easily create and share content on a global scale. This ease of use had a profound impact on the world, which may be seen with the emergence of websites such as: Facebook, Instagram, Linux, MySpace, Pinterest, Twitter, YouTube, and now newly created crowdfunding websites, such as Kickstarter, which are the focus of this study.

Crowdfunding websites have quickly emerged as a new and powerful tool that entrepreneurs may exploit to obtain the necessary funding needed to launch a new product or service. The ability to reach out to the masses for funding has resulted in a new, and relatively unexplored, path in which entrepreneurs may circumvent large banks and loans, thus creating a decreased risk of bankruptcy due to failed business ventures. Given that crowdfunding sites are a new and important business trend, they are the focus of the proposed research. Specifically, this research will attempt to determine how the association between different types of appeals and aspects of conditional cooperation affects an entrepreneur’s ability to reach their set-funding goal.

The conceptual foundation for the analysis of crowdfunding messages will be the work of Kahneman and Tversky (1979) and subsequent researchers using prospect theory,
and theoretical work on conditional cooperation. A frame may focus on either “the advantages of pursuing some course of action (i.e., gain frame), or the disadvantages of failing to do so (i.e., loss frame)” (Yan, Dillard, & Shen, 2012, p. 682). Specifically message frames may be classified into three distinct categories: risky choice, goal, and attribute. Each of these framing methods possesses qualities that may be more or less effective towards reaching funding goals set on crowdfunding websites.

While there is a significant amount of work on framing effects on the decision-making process, no prior research has applied framing theory to an analysis of crowdfunding sources. This is one of the contributions made by this research. Conditional cooperation is also used to explore influences on the achievement of funding goals. The extension of conditional cooperation to this domain of inquiry is a second contribution of the research. The proposed research uses content analysis as the mode of research.
CHAPTER 2

LITERATURE REVIEW

The proposed research examines the relationship between message form and conditional cooperation with subsequent campaign success or failure on the crowdfunding website Kickstarter.com. The literature review focuses on each of these factors individually. Beginning with a discussion of crowdfunding sites, the literature review will then proceed to a discussion of the conceptual groundings for the research: prospect theory, message framing and conditional cooperation.

CROWDFUNDING: HOW IT WORKS

Crowdfunding is “the micro-financing of individual projects, and is catered for online by sites like indiegogo.com, sponsume.com, crowdfunder.co.uk, pledgie.com, and kickstarter.com” (Sorenson, 2012, p. 736). Sites, such as these, facilitate project-based communities—a term used for the purposes of this study meaning a unique community of early adopters and investors of a new product or service that hone and gather funding pledges via a breadth of individual backers. This is an important concept, and has many implications on how business via crowdfunding is done.

Crowdfunding provides a creator the unique ability to showcase a product or project to a global community, allowing the product to first be “test driven” before being sent out for mass production (Belleflamme, Lambert, & Schwienbacher, 2011). This feature facilitates an environment in which a preliminary crowdfunding campaign may help towards the assessment of current demands for a good or service. In addition, by involving many people in the developmental process, creators can “tap into the wisdom of the crowd” (Satorius & Pollard, 2010, p. 2). While utilizing the wisdom of the crowd—referring to the compilation of opinions and thoughts of many, as opposed to those of a single individual (Surowiecki, 2005)—a collection of feedback and project awareness is obtained by those contributors who have donated: converting backers into project endorsers when receiving branded goods for donation. Encouraging invested backers to “spread the word” will help towards growing the
fan base: making this aspect of crowdfunding potentially more valuable than the initial donation amount. However, none of this would be an option for entrepreneurs if it were not for the emergence of Web 2.0.

**WEB 2.0**

Following the *dot-com* collapse in 2001 (O’Reilly, 2005), websites underwent a gradual yet continuous structural change: A change that enabled “everyday” users the ability to go beyond browsing the Internet, to the dissemination of his or her content with others online. The emergence of this shift is what is commonly referred to as Web 2.0.

The shift from the static Web to Web 2.0 occurred with the transition from low-speed (dial-up) Internet connections to high-speed (Ethernet) connections. Having stronger and faster Internet connections facilitated the growth of more complex computer programming, which somewhat counter-intuitively led to an increase of “user-friendly” programs and platforms. This transformation enabled users, with the ability, to create and disseminate original content easily and effortlessly.

According to John (2013), the nature of Web 2.0 can be narrowed to a single term: “sharing.” Whether it is user videos, memes, knowledge, or an innovative idea, Web 2.0 has empowered Internet users with the unprecedented ability to share their ideas and innovations. Kickstarter is a prime example of Web 2.0’s ability to empower sharing. As it pertains to crowdfunding, Kickstarter enables individuals with the ability to share ideas in a way that makes it possible for startup funds to be raised with the help of donors who deem a project worthy of their financial assistance.

**CROWDFUNDING AND KICKSTARTER**

For the purpose of this study, the crowdsourcing website Kickstarter.com will be the focal point of research, due to its high level of salience within the United States, as well as the rest of the world. Kickstarter was first launched on April 28th, 2009. Since its inception, Kickstarter has become a global phenomenon resulting in over $1 billion raised from more than 5 million people, all of which has helped fund over 50,000 project campaigns (Kickstarter, 2014). Consequently, because of its importance, it is critical to understand how the website works in facilitating entrepreneurs with the capacity to raise funds, through
pledging, without having to reach out to banks for assistance, thus running the heightened risk of business debt. For a detailed example of a Kickstarter campaign refer to Table 1.

Kickstarter first works by a user (project manager) envisioning an idea for a product, service, or project that will be beneficial to the target community. Examples of campaigns can range anywhere from funding for an independent film, to an aspiring star’s debut musical album, art work from a “starving artist,” clothing designed by a new and trendy designer, food products created by an up-and-coming chef, or even inventions that funders quickly realize they cannot live without. Following the conceptualization of a campaign idea, the project manager must then create a Kickstarter page.

A Kickstarter page consists of any and all information a project manager deems necessary to inform and persuade the public that his or her idea is worthy of their financial backing. Campaign pages may include a description of the product or service, bio, short video, or rewards for donations. While the creation of the campaign page is beginning to take shape, two more crucial decisions must be made: campaign duration, usually a month (30-days), and a pledge goal to be reached within this time frame. Potential backers then visit the page and decide whether or not they wish to contribute. If the pledge goal is fully obtained, within the prescribed time frame, “each supporter’s donation is deducted from their accounts through Paypal” (Sorenson, 2012, p. 736), and the campaign is considered a success; however, if the pledge goal is not fully reached, no money is deducted from the backers’ accounts, and the campaign is considered a failure.

**PURPOSE OF KICKSTARTER**

There are four stages that all products go through: “introduction stage (product is introduced to the market), growth stage (which consists of rapid increase in sales), maturity stage (stable sales), followed by the decline state (sales decreasing, and ultimately resulting in the demise of the product from the market)” (Arora, 2007, p. 377). The purpose of Kickstarter campaigns is to facilitate the first stage (introduction) where the campaign manager will use the sites’ outreach to “educate the market about the benefits of the product” (Arora, 2007, p. 377). This will hopefully lead to prescriptive behavioral advocacy, or action-oriented advocacy: motivating and encouraging message recipients to back the project (Yan, Dillard, & Shen, 2010).
Table 1. Example Content of a Kickstarter Campaign

<table>
<thead>
<tr>
<th><strong>Product</strong></th>
<th>Bonaverde Coffee Changers World’s First Roast-Grind-Brew coffee machine.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Start &amp; End Date</strong></td>
<td>November 12, 2013 to December 8, 2013</td>
</tr>
<tr>
<td><strong>Funding Goal</strong></td>
<td><strong>Goal:</strong> $135,000 <strong>Amount raised as of November 22, 2013:</strong> $391,958 <strong>Backers:</strong> 1,295</td>
</tr>
<tr>
<td><strong>Main Message Points</strong></td>
<td>Tells the reader that coffee beans changes hands many times during, lose their freshness, and cause environmental damage during the trade process. To combat the negative effects of the coffee trade, readers should invest in their product, “cutting-out” the middle men, and saving the environment all while having a fresher cup of coffee.</td>
</tr>
<tr>
<td><strong>Videos</strong></td>
<td>Video 1- 4:22 Video 2- 2:32</td>
</tr>
<tr>
<td><strong>Graphics</strong></td>
<td>10</td>
</tr>
<tr>
<td><strong>Pledge Levels and Rewards</strong></td>
<td><strong>Pledge $5 or more</strong>- KARMA package: Thank you and congrats, you’re a coffee changer! You become part of our community &amp; receive regular updates. <strong>Pledge $35 or more</strong>- HIPSTER package: Pledge to not only become part of our coffee change movement, but to also receive our stylish Bonaverde jute bag, hand crafted by the team and straight from Hipster Berlin. Looks great around your xmas tree. <strong>Pledge $250 or more</strong>- EARLY BIRD: Woo-hoo! You ‘stand’ up for coffee, and not only in the morning! You will get one of THE VERY FIRST ROAST-GRIND-BREW COFFEE MACHINES. Those machines will have a special serial number plaque from 1-100! But we don't leave it with that: We're also welcoming you to the coffee changer community and shower you with 6.6 lbs. (3kg) of green coffee beans (from Henry, our farmer based in Nicaragua) as well as all the good stuff above! <strong>Pledge $300 or more</strong>- THE MACHINE: Missed the early bird? Don't worry. You will also get one of OUR ROAST-GRIND-BREW COFFEE MACHINES and we're of course welcoming you to the coffee changer community and shower you with 6.6 lbs. (3kg) of green coffee beans (from Henry, our farmer based in Nicaragua) as well as all the other good stuff above! <strong>Pledge $400 or more</strong>- BETA FIELD TESTER: You'll be THE FIRST to enjoy fresh coffee: You get one of our 100 first serial TEST machines 3 months before we ship out the machine – and WE will listen to YOU for final improvements. You'll be part of our team! We think that's great. And of course we will swap your machine for a serial - if desired.</td>
</tr>
<tr>
<td>Pledge $500 or more- 1-year, NO WORRIES: 6.6 lbs. (3kg) green coffee beans (origin of your choice) every 3 months for 1 year plus our EARLY BIRD machine package! That's 33 lbs. (15kg) of coffee in total. Sleep no more!</td>
<td></td>
</tr>
<tr>
<td>---</td>
<td></td>
</tr>
<tr>
<td><strong>Pledge $1,000 or more-</strong> We will hold a cupping party in Berlin, San Francisco or New York for you and up to 20 friends at your home or office THIS year! You’ll meet us, experience the machine and taste the coffee. Includes the NO WORRIES package and a lot of fun! Oh and a LOT of cake.</td>
<td></td>
</tr>
<tr>
<td><strong>Pledge $1,250 or more-</strong> will hold a cupping party ANYWHERE in the US or Germany for you and up to 20 friends at your home or office THIS year! You’ll meet us, experience the machine and taste the coffee. Includes the NO WORRIES package and a lot of fun! Oh and a LOT of cake.</td>
<td></td>
</tr>
<tr>
<td><strong>Pledge $5,000 or more-</strong> I am a FARMER: You and your coffee will immediately be listed on our community platform and you’ll receive a MACHINE to hold tastings with your friends or just to enjoy your own coffee. You'll get an individual profile to offer your coffee directly to the crowd.</td>
<td></td>
</tr>
<tr>
<td><strong>Pledge $10,000 or more-</strong> You &amp; a friend TRAVEL with us: We will visit one of our partner farmers together (e.g. Brazil, Nicaragua, Ethiopia or Peru). You’ll learn a lot about coffee and taste even more. Includes the PERSONAL treatment package. Excludes travel to destination country. Rest of the trip is on us.</td>
<td></td>
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</tbody>
</table>
Although there are many factors that may influence and motivate individuals to back a project, prior research indicates that message framing may be the underlying key component in determining the success or failure of a campaign. The conceptual framework that supports this notion has been provided by numerous researchers (Kahneman & Tversky 1979; Tversky & Kahneman 1981; Levin & Gaeth, 1988; Meyerowitz & Chaiken, 1987; O'Keefe & Jensen, 2006).

Since the introduction stage is the first in a line of four stages, all of which influence those that follow, and is coupled with prior research indicating that framing may influence the success or failure of Kickstarter campaigns, awareness of how messages are depicted, or framed, to the public becomes an important area of study. With related research into the effectiveness of fundraising message frames being scarce (Chang & Lee, 2010), along with the emergence of Web 2.0 and crowdfunding websites, a strong understanding of these outlined concepts has become vital.

Given the importance of message frames, the research provided will present new insights into the motivational influence frames may have in guiding a decision-maker towards pledging his or her money to a Kickstarter campaign. In order to begin to understand how frames are used, and the potential influential power they possess, an understanding of the theory in which message frames originate—prospect theory—is essential.

**History of Prospect Theory**

Prospect theory was introduced by Kahneman and Tversky (1979) and Tversky and Kahneman (1981). Prospect theory attempts to explain how decisions are made based on the manner in which the necessary information is presented to the decision-maker. It is often possible to frame decision problems in more than one way.

A decision problem is defined by “the acts or options among which one must choose the possible outcomes or consequences of these acts, and contingencies or conditional probabilities that relate outcome to acts” (Tversky & Kahneman, 1981, p. 453). Therefore, a “decision frame” refers to the decision-makers’ conception of the acts, outcomes, and contingencies associated with a particular choice (Tversky & Kahneman, 1981).

Prospect theory maintains that the decision-making process is a two-step process. During the first step, “editing,” a subject examines all possible choices while simplifying the
set of choices into a subjective format. This is done automatically and without much effort: Kahneman (2011) referred to this as the “first brain” (p. 20). For the second step, a reference anchor, or heuristic perspective, may be used to evaluate the subjective format of alternatives. “Depending on the anchor, the alternative may be evaluated as a gain or loss (frame)” (Arora, 2007, p.378).

Positively framed messages (gains) are defined as messages that emphasize a brand’s advantages or gains to a consumer (e.g., detergent ‘X’ washes your clothes cleaner than detergent ‘Y’) (Arora, 2007), while negative frames (loss) are messages that emphasize undesirable outcomes or loss of an attractive outcome (e.g., your clothes will be dirty if you don’t buy this detergent) (Yan et al., 2010).

Prospect theory postulates that a Sigmoid curve or “S-curve” portrays the values of alternatives for individuals. “The S-shaped function is concave for gains and convex for losses. Gains and losses, with regard to the S-curve, are defined as deviations from positive or negative outcomes from a neutral reference point—a standard basis for evaluation—assigned a value of zero” (Tversky & Kahneman, 1981, p. 454). Thus, the S-curve is concave above the reference point and convex below it. An example of how a S-curve is applicable to the “real-world” can be seen with how the subjective value between gain differences between $10 and $20 is greater than the subjective difference between $110 and $120 (Tversky & Kahneman, 1981), showing the evaluation of the alternatives is asymmetrical (Arora, 2007) (see Figure 1).

The S-curve also depicts how people value gains more than losses (loss-aversion), but is dependent on an individual’s subjective value function (may be steeper for losses than for gains) (Arora, 2007). Hence, individuals may react differently to messages that are framed in different manners, therefore, affecting their decision-making process. An example of how the decision-making process may be altered can be seen with this instance, provided by Tversky and Kahneman (1981), where the researchers illustrate a case in which a gambler is down $140, and with an attempt to offset accrued losses makes a $10 bet on a 15:1 odds game and wins. This “win” may be perceived in one of two ways.
First, the win may be viewed as a gain of $140 ($150-$10 bet); however, it may also be seen as merely breaking even: bringing the gambler back to the reference point of zero dollars (nothing won or lost). The implications of not resetting one’s reference point are seen in this example. By not resetting one’s reference point one may take risks, or bets (as it pertains to the gambler), that would normally be found as unacceptable, thus further exemplifying the persuasive power framing influences have on the experience of consequences: “making the adoption of a decision frame an ethically significant act” (Tversky & Kahneman, 1981, p. 458) worthy of study.

**WHAT IS FRAMING?**

To understand the implications of prospect theory and message framing, one must fully comprehend what framing is. Framing, as it pertains to persuasion, refers to “the presentation of one of two different but equivalent value outcomes to decision-makers, where one outcome is presented in positive or gain terms, and the other in negative or loss terms” (Chang & Lee, 2010, p. 197). Another way in which this may be viewed is, “a gain frame emphasizes the advantages of compliance, whereas loss frames highlight the disadvantages.
of noncompliance” (Yan et al., 2010, p. 345). How this information is conveyed, gain or loss, influences how individuals think and feel about issues by encouraging them to process information in a certain way.

Framing effects on human judgment and decision-making have proliferated to encompass many areas and domains, including cognition, psycholinguistics, social psychology, health psychology, and clinical psychology (Levin, Schneider, & Gaeth, 1998). Interestingly, the term prospect theory is just a single all-encompassing title given to the sum of its parts. In fact, there are three sub-categories to this theory: risky choice, goal framing, and attribute framing (see Table 3 on p. 25) (Levin et al., 1998, p. 151). These sub-categories will now be looked at in depth.

**RISKY CHOICE**

Risky choice framing was introduced by Kahneman and Tversky (1979) and Tversky and Kahneman (1981), and “is the form of framing most closely associated with the term framing” (Levin et al., 1998, p. 150). Risky choice framing methods show that people tend to be risk adverse when presented with a decision that may lead to a loss, thus, making decision-makers more prone to take the “safe” choice even when presented with equivocal options.

Tversky and Kahneman’s (1981) well-known example of risky choice framing revealed outcomes that would further the understanding of how humans process information during the decision-making process. The Asian disease problem is a hypothetical situation developed by the researchers for their in-depth study of this framing method. The example is constructed in terms of gains and losses, in respect to human life (risky choice).

Imagine that the U.S is preparing for the outbreak of an unusual Asian disease, which is expected to kill 600 people. Two alternative programs to combat the disease have been proposed. Assume that the exact scientific estimates of the consequences of the programs are as follows:

Group 1

If Program A is adopted, 200 people will be saved.
If Program B is adopted, there is 1/3 probability that 600 people will be saved, and 2/3 probability that no people will be saved.
Which of the two programs would you favor?

Group 2
If Program C is adopted 400 people will die.
If Program D is adopted there is a 1/3 probability that nobody will die, and 2/3 probability that 600 people will die.
Which of the two programs do you favor? (Teversky & Kahneman, 1981, p. 453)

Results of this study show that even when both groups had statically equivalent choices, the tendency subjects show are to be risk-seeking when exposed to the survival (gain) format, and risk-adverse when exposed to the mortality (loss) format (Druckman, 2001). This shows that even though the outcomes for each choice are equivalent, the manner in which the choices are presented to the decision-maker have a profound influence on the choice that is to ultimately be made.

When referring to Table 1, elements of the risky choice framing method may be exploited to create a more powerful message. In the column labeled “message,” a description of how by contributing to the world’s first roaster-grinder-brewer coffee machine the donor will help aid in the prevention of environmental damages created by the coffee industry. If this were framed as risky choice (gain) frame, it may read, “By funding you will save 10 acres of rain forest per year,” as opposed to its counterpart “if you pledge, only 90 acres of rain forest will be destroyed per year.” With a standard reference point of 100 acres, it is easy to see that both statements are equivalent but may lead the decision-maker to different conclusions on whether to pledge or not.

It may be said that examples such as the Asian disease problem and the Kickstarter coffee machine campaign statements only work in influencing the decision-making process of the “average” participant, who may possess only an elementary understanding of relevant information; however, the contrary is true. Similar studies have since been conducted that include the highly educated—medical doctors. One such study, performed by Kahneman (2011), was conducted at Harvard Medical School where physicians were presented with information in terms of gains and losses.

It is well known in the medical community that the five-year survival rate of cancer patients clearly favors surgery, but in the short term surgery is riskier than radiation. During this study, half the participants were provided with statistics concerning short-term survival rates of surgery while the other half received the same information in terms of mortality rates. The two descriptions were as follows:
The one-month survival rate is 90%.
There is 10% mortality in the first month. (Kahneman, 2011, p. 376)

Based on the information provided, participating physicians were then asked what option they would recommend to their cancer patients (surgery or radiation). Not surprisingly, in accord with the notion that humans become risk-adverse when presented with a “loss” outcome, 84% chose surgery when presented with the first frame, as compared to 50% when presented with the second frame (Kahneman, 2011).

These results are important in showing that medically sophisticated people are just as susceptible to the power and influence of framed messages as medically unsophisticated people (hospital patients to college graduates), and that education, whether it be in a relatable field or not, has no profound influence in the dilution of message framing effects during the decision-making process. To quote Kahneman (2011): “Medical training is no defense against the power of framing” (p. 367). This is a profound statement in assessing the magnitude of influence message framing may have on individuals, thus reinforcing the importance of gaining a strong understanding of how frames are most effectively used.

**GOAL FRAMING**

Goal framing has vastly become a popular topic of study in the field of persuasive communications (Levin et al., 1998). The purpose of goal framing is to highlight the consequences of an action. Consequences can emphasize gains in terms of taking action, or losses in terms of inaction (Gamliel & Herstein, 2007). A unique quality to this frame is that subjects display a stronger need to take action when the presented message is provided in a negatively framed context. An example of this may be seen with private brands.

Private brands are brands that are unique to a specific retailer (e.g., Great Value brand is to Wal-Mart), and tend to be less expensive than mass produced name brands. In terms of goal framing, brands such as these show more success when framed in a way that conveys to the decision-maker that they will lose money if they do not purchase the brand (Gamliel & Herstein, 2007). The same has also been confirmed in a subsequent study performed by Gamliel and Herstein (2010).
Gamliel and Herstein (2010) confirmed that when subjects are presented with two differing goal frames, “lose if you don’t purchase” (loss) and “save if you purchase” (gain), higher rates of purchase intention were associated with the negative (loss) frame.

Another more well-known example of goal framing effects was performed by Meyerowitz and Chaiken (1987). The researchers reported that women became more apt to engage in breast self-examinations (BSE) when presented with information regarding the negative results that may occur if they did not do so. A negative frame used by the researchers for this study is, “Research shows that women who do not do BSE have a decreased chance of finding a tumor in the early, more treatable stages of the disease.” This was widely more successful than its counterpart, the positive frame, in provoking action. The positive frame reads, “Research shows that women who do BSE have an increased chance of finding a tumor in the early, more treatable stages of the disease” (Meyerowitz & Chaiken, 1987, p. 504).

As seen, goal framing is unique in that the negative (loss) frame becomes more effective in adjusting the decision-makers’ thought process than the positive (gain) frame. Goal framing works by emphasizing what will be gained or lost by taking action or inaction respectively. This effect, the strong influence possessed by the negative frame, may be seen during “everyday” life (e.g., if you don’t act now, at our low price, you will lose money). In these terms, goal framing tends to be a much stronger driver as a loss frame than it would be in its positive (gain) format.

**ATTRIBUTE FRAMING**

Attribute framing’s hallmark is that it conveys evaluation information to the decision-maker. Attribute framing differs from risky choice and goal framing in regards to how the framing manipulation focuses on characteristics of an object or event, and provides only information needed for evaluation. In contrast, options that are associated with risky choice framing are independent, creating a scenario where information about one option does not necessarily provide information about the second option.

Positively framed messages will highlight the advantages (attributes) of an object or event, as opposed to its counterpart, the negative frame, that emphasizes the disadvantages of an object or event (O’Keefe & Jensen, 2006). This is important for researchers to understand
due to the established belief that “even at the most basic level, the valence of a description often has a substantial influence on the processing of information” (Levin et al., 1998, p. 164).

The importance of attribute framing has been discussed by Levin and Gaeth (1988) who “suggest that attribute framing occurs because information is encoded relative to its descriptive valence” (as cited in Levin et al., 1998, p. 164). In other words, information that is encoded in a positive frame will create a situation where the decision-maker processes the information in a positive manner, evoking a favorable association in their memory. Conversely, the opposite holds true for attribute information portrayed as a negative frame, therefore, leading to an unfavorable association of that object or event. An example of this may be seen in the findings associated with the hamburger evaluation.

Conducted by Levin and Gaeth (1988), the hamburger evaluation showed perceptions of the quality of ground beef strongly depend on how the beef is labeled: 75% lean or 25% fat. Findings of this study were remarkable due to the fact that not only did subjects prefer the 75% lean beef on face value, but also reported it as being “better tasting” and “less greasy” when framed in a positive context, as opposed to the negative 25% fat. The hamburger evaluation demonstrates the power attribute framing has, not only on consumer perception, but on their sensual descriptions of the product as well. It also shows that in terms of attribute framing, positively framed messages are received more favorably than negatively framed messages. However, one may make the argument that risk may have been an issue for this study. The inherent risk lies in the fact that 75% lean seems like a “healthier” alternative than beef labeled as 25% fat, and therefore presents less of a risk for health concerns over an extended period of time. With this in mind, an example that contains zero risk is presented.

Levin (1987) provided subjects with information regarding shooting percentages of an athlete, and were then asked to rate the athlete’s performance. Some of the subjects were provided with shots made (positive frame) while others were provided with shots missed (negative frame). With risk not being an issue in either case, subjects provided with the positive frame significantly rated the athlete’s performance higher than did the subjects who were provided with the negative frame. This confirms that attribute framing promotes selective attention, respectively, to either the positive or negative attributes, and in turn,
“leads to the accessing of only positive or negative associations in memory” (as cited in Levin et al., 1998, p. 166).

Message framing in this manner is seen when looking back at Table 1. Located in the column labeled “message,” a textbook example of attribute framing is presented. For the specified product, it states that the user will have the ability to roast his or her “green” coffee beans, allowing for a fresher cup of coffee. Highlighting the product attribute of being able to roast your own beans in a positive manner is a superb example in showing the persuasive impact properly framed messages may have in achieving campaign funding. In exploiting this tactic, "Bonaverde Coffee Changers" (2013) have quickly exceeded their set funding goal in just 10 days.

The impact of these findings, along with the findings associated with risky choice and goal framing, prove to be of high importance when studying the effects of message framing on the success or failure of Kickstarter campaigns.

Kahneman (2011) stated that “unless there is an obvious reason to do otherwise, most of us passively accept decision problems as they are framed and therefore rarely have an opportunity to discover the extent to which our preferences are frame-bound rather than reality-bound” (p. 367).

**RESEARCH QUESTION 1**

With prospect theory and message framing being such powerful drivers in the decision-making process, it is of high importance to be able to understand how different framing methods are being used towards achieving crowdfunding goals, and more importantly which methods appear to be more promising in reaching set funding goals with Kickstarter campaigns. For these reasons the following research question is then proposed:

**RQ 1**: To what extent are attribute, goal, and risky choice framing used on Kickstarter, and how are these frames associated with project success or failure?

**CONDITIONAL COOPERATION**

Conditional cooperation assumes that people are “more willing to contribute when others contribute. This behavior may be due to various motivational reasons, such as conformity, social norm, or reciprocity” (Frey & Meier, 2004, p. 1717). This leads to the
occurrence of higher contribution rates when this information is provided, showing that others have already contributed to a project.

Because of its social nature, only a few laboratory experiments have been able to explicitly test conditional cooperation. Fischbacher, Gaechter, and Fehr (2001) were successfully able to test this notion, and able to conclude that 50% of people increase their donation amounts if others do so as well. Therefore, an individual observing that a larger number of people are pledging at the $250 amount rather than the $100 amount may cause the individual to increase his or her pledge to the next higher donation level, driving an increase in funding.

Reasoning for this phenomenon lies in the idea that people want to behave in a pro-social way, and conform to society (Messick, 1999). As seen in a field experiment, students were presented with information that many others had donated to two charitable funds at the University of Zurich. Being provided with the knowledge that others have already donated created an increase in the student’s willingness to contribute to the funds as well (Frey & Meier, 2004). This willingness to contribute when knowing that others have already done so supports the idea that the likelihood of goal attainment is possible. The perceived idea of goal attainment garners a feeling that the project is a worthy cause and will be effective in reaching its set goal, therefore, driving active givers to pledge larger sums (Sargeant, West, & Ford, 2004).

A second factor of conditional cooperation, as it pertains to Kickstarter, is that many donations by others may serve as a signal for high quality products or services, leading to more donations (Vesterlund, 2003). This agrees with the findings of Belleflamme et al. (2011) that for crowdfunded projects individuals generally contribute more than traditional investors would due to the unique selling point that crowdfunded projects possess, thus creating an extra surplus value for rewards offered.

Drawing upon conditional cooperation motivations, and its ability to influence individual’s intent to pledge as well as pledge amount, the following research question is then proposed:

**RQ 2**: To what extent do the number of pledges available at each categorical donation tier (low, medium, high) relate to the Kickstarter project’s success or failure?
IMPORTANCE OF THE RESEARCH

With a wealth of prior knowledge and studies to draw upon (Levin & Gaeth, 1988; Meyerowitz & Chaiken, 1987; Tversky & Kahnemen, 1981), the researcher was able to utilize the collective insight of academics, and apply it to a new and unexplored area of study: crowdfunding. Additionally, the use of pre-established frameworks have aided in guiding the systematic analysis of Kickstarter.

By obtaining knowledge into this emerging field of study, researchers as well as businesses will gain a more profound understanding of the power their words may have towards adjusting and guiding a decision-maker to the optimal path; for businesses this would be a purchase. In turn, research into this field may also impact the manner in which entrepreneurs, businesses and corporations frame messages for their products and services: creating a shift in global business practices.
CHAPTER 3

METHODOLOGY

The following sections will outline how the study sample was collected and analyzed.

SAMPLE

The sample for this study consisted of a total of 120 Kickstarter campaigns. Sampled campaigns began between the dates of January 26, 2014 and February 3, 2014, with end dates ranging between February 26, 2014 and March 5, 2014. This start and end date range was chosen to ensure a large enough sample size for each of the top four categories from which the sample was drawn (Film/Video= 830 projects, Publishing= 571 projects, Music= 560 projects, and Art= 361 projects).

Thirty campaigns were randomly selected, via random number generator, from each of the top four project categories. Sampling in this manner helped in maintaining a representative sample population for analysis. Additionally, each of the sampled campaigns followed the standard 30-day time frame as suggested by Kickstarter. Maintaining the consistency of a 30-day time period has increased the internal validity by guarding against external events that may influence the success or failure of campaigns with longer or shorter durations.

MEASURES

Key measures specifically relate to the research questions concerning framing and conditional cooperation, and their analysis.

Framing Analysis

Framing data has been evaluated by analyzing both text and videos present on Kickstarter campaign pages. Data collected on framing messages encompassed framing tactics used, as well as the prominence (position order) of each message frame. This information contributes to the in-depth understanding of the effectiveness framing messages have in obtaining funding goals. The major framing themes analyzed by the researcher are
attribute, goal, and risky choice. Identification of framing themes was done in accordance with the previously established typology created by Levin et al. (1998), as seen in Table 2.

### Table 2. Summary of Methodological Differences in Risky Choice, Attribute, and Goal Framing

<table>
<thead>
<tr>
<th>Frame type</th>
<th>What is framed</th>
<th>What is affected</th>
<th>How effect is measured</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risky Choice</td>
<td>Set of options with different risk levels</td>
<td>Risk preference</td>
<td>Comparison of choices for risky option</td>
</tr>
<tr>
<td>Goal</td>
<td>Consequence or implied goal of a behavior</td>
<td>Impact of persuasion</td>
<td>Comparison of rate of adoption of the behavior</td>
</tr>
<tr>
<td>Attribute</td>
<td>Object/event attributes or characteristics</td>
<td>Item evaluation</td>
<td>Comparison of attractiveness rating for the single item</td>
</tr>
</tbody>
</table>

Coding for the presence of the three major framing themes analyzed (risky choice, goal, and attribute) via text have been coded as follows: no frame present= 0, positive frame present= 1, negative frame present= 2. Combinations of framing methods are coded as: Attribute= 1, Goal= 2, Risky Choice= 3, Attribute + Goal= 4, Attribute + Risky Choice= 5, Risky Choice + Goal= 6, and Risky Choice + Goal + Attribute= 7.

For those campaigns containing frames, the researcher has additionally coded as to where the message(s) are located within the text. Placement of frames will be coded as follows: title= 1, body= 2, Risks and Challenges= 3. These three placements refer to location on the campaigns page where title is the top of the page, body is the middle, and at the bottom, Risks and Challenges: a constant on all Kickstarter pages.

For those campaigns containing video(s) the researcher has developed a similar coding scheme: no video present= 0, video(s) present= range. The placement of video(s) will follow the same coding as stated above for text based framing. This coding scheme will also be used for each of the three types of video framing methods (risky choice, goal, and attribute).

### Conditional Cooperation Analysis

An analysis of the effects conditional cooperation may have in influencing the success or failure of Kickstarter campaigns has been assessed with data collected on the number of donation tiers available (coded via range), amount of allotted limited donations at each level (coded via range), as well as the number of limited donations obtained at each tier.
and the number that have reached their capacity following the 30-day funding period (coded via range). This information has aided in furthering the understanding of whether or not these factors have an effect on Kickstarter campaign outcomes.

Additionally, donation groups have been divided into three categorical levels (low= 1, medium= 2, high= 3). Classification of these levels was done proportionally with each individual campaign by dividing the donation levels available into thirds, so as to make each unique campaign, regardless of its project category or funding goal, proportionally equal to one another in this regard: each level coded contains the beginning and end cutoff amounts for each low, medium, and high donation tiers. An example of how this looks may be seen with a hypothetical campaign that ranges from $1 as its lowest donation level to $3,000 as the highest, while containing six donation levels. The low tier would range from $1 to $1,000 (containing two donation levels), medium tier would range from $1,001 to $2,000 (containing two donation levels) and the same would go for the high tier, $2,001-$3,000 (containing two donation levels).

Additional information, such as desired project funding goals, final funding amount reached, total number of backers, and qualifications of project managers was collected from each campaigns home page in order to help lay a foundation as to what other possible variables may play important roles in the determination of funding goals reached via crowdsourcing, thus guiding further research deeper into this emerging field of study.

A sample of the coding sheet used during this research may be referred to in the Appendix section.

**DEVELOPMENT AND REFINEMENT OF CODING SHEET**

Data collection was performed by the author and a second coder. Prior to data collection the author briefed the second coder on the goals of the research, and the specific focus of the content analysis. After the briefing and answering of questions, both coders independently visited and coded 13 Kickstarter Game campaigns. Code sheets were then compared where there was a 96.2% level of agreement between coding sheets (KALPHA= 0.94). Following comparison, areas of discrepancy in coding were discussed, as well as areas in which code categories or coding instructions were unclear or difficult to apply. Based on
these discussions, the code sheet was refined and reworded for ease of understanding prior to being finalized for use in coding of target categories.

**DATA COLLECTION**

As noted, data collection took place between January 26, 2014 and March 5, 2014. Coding was completed independently by the two coders. Although data was collected from “live” accounts, a backup data file has been created containing screenshots and links to all campaigns used for this study.
CHAPTER 4

FINDINGS

The following section will describe the overall findings uncovered by this research, as it pertains to the proposed research questions.

SAMPLE DESCRIPTION

There was a 40.3% success rate for the analytical sample. This is in accordance with statistical data provided by Kickstarter.com, which reports a 43.6% success rate. Thus, the sample appears to be representative along this dimension.

More than half the sample used framing expressed either via text or video (or both in combination). Overall, 68.5% of the sample used some form of framing expressed via text while 55.6% of the sample used some form of framing via video. While many campaigns used both text and video (41.9%), it is important to note that the type of frame used was identical in both text and video, thus we can be confident that individuals receiving the framed message received a consistent message.

Within the subset sample of campaigns which used framing, goal framing was the most common approach communicated via text and video. Goal framing (e.g., donate and help us move into production (gain); without your donation product ‘X’ cannot be made (loss)) was used exclusively by 69.4% of all text-based frame-using campaigns, and in combination with another framing method by 20.0% of campaigns. Thus, in total, 89.4% of all text-based frame-using campaigns used goal framing. The pattern is similar for video-based frame-using campaigns. Among these campaigns, goal framing was used exclusively by 68.1% of all video-based frame-using campaigns, and in combination with another framing method by 23.2% of campaigns. Thus, in total, 91.3% of all video-based campaigns used goal framing.

Variations between different project categories sampled were not observed. For this reason, collected data was analyzed as a whole, without differentiation between project categories.
FRAMING EFFECTS ON CAMPAIGN OUTCOMES

Research Question 1 sought to uncover the extent to which attribute, goal, and risky choice framing methods are used within Kickstarter campaigns, and how these frames are associated with project success or failure.

Campaigns that use frames had a significantly greater chance of becoming successful. By simply using a framing method, campaigns had a higher chance of success, verses campaigns that failed to use any framing method (attribute, goal, risky choice). Out of all campaigns that were successful, 83.3% utilized a prescribed framing method, opposed to 40.8% of unsuccessful campaigns that did not. As shown in Table 3, text-based goal framing experienced a success rate of 40.0% when framed as a gain, and a 75.0% success rate when framed as a loss. This is to be expected, with prior research indicating that goal framing’s loss format is more successful towards invoking action than its gain format.

A similar pattern may be seen in campaigns that utilized video-based framing methods. The presence of framing via video strongly influenced the outcome of Kickstarter campaigns: 74.5% of successful campaigns exploited a framing method, whereas 41.9% of unsuccessful campaigns did not. As shown in Table 4, no video approaches used a loss frame; thus, video and text combinations were only used with a gain frame approach. Among these campaigns, video-based goal framing experienced a success rate of 56.5% when framed as a gain.

The data in both Tables 3 and 4 indicate two additional important outcomes. First, goal framing success rates show similar patterns when used alone or in combination with other framing approaches (i.e., attribute and goal; goal and risky choice; attribute, goal, and risky choice). There is little deviation in success percentages when compared to goal framing’s singular, non-combination, use in text and video. There is a 44.3% success rate for text-based goal framing and its associated combinations when the message is framed as a gain and an 80% success rate when the message is framed as a loss. Second, for positively framed, video-based messages, there is a 56.5% chance of success. This level is much higher than the comparable success rate for text-based messages, and is much higher than the overall Kickstarter success rate. This might be a preliminary indication that gain-framed goal-oriented video communications have a greater potential to lead to a positive outcome (i.e., obtaining the desired funding level).
<table>
<thead>
<tr>
<th></th>
<th>Gain Frame</th>
<th></th>
<th>Loss Frame</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Successful</td>
<td>Unsuccessful</td>
<td>Percent</td>
<td>Successful</td>
</tr>
<tr>
<td>Attribute</td>
<td>1</td>
<td>3</td>
<td>33.3%</td>
<td>1</td>
</tr>
<tr>
<td>Goal</td>
<td>22</td>
<td>33</td>
<td>40.0%</td>
<td>3</td>
</tr>
<tr>
<td>Risky Choice</td>
<td>2</td>
<td>0</td>
<td>100.0%</td>
<td>1</td>
</tr>
<tr>
<td>Attribute/Goal</td>
<td>6</td>
<td>3</td>
<td>66.7%</td>
<td>1</td>
</tr>
<tr>
<td>Attribute/Risky</td>
<td>0</td>
<td>1</td>
<td>0.0%</td>
<td>0</td>
</tr>
<tr>
<td>Choice</td>
<td>Goal/Risky</td>
<td>Choice</td>
<td>25.0%</td>
<td>0</td>
</tr>
<tr>
<td>Attribute/Goal/Risky</td>
<td>2</td>
<td>0</td>
<td>100.0%</td>
<td>0</td>
</tr>
</tbody>
</table>

Table 3. Text Based Framing
<table>
<thead>
<tr>
<th>Attribute</th>
<th>Gain Frame</th>
<th>Loss Frame</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Successful</td>
<td>Unsuccessful</td>
<td>Percent Success</td>
<td>Successful</td>
<td>Unsuccessful</td>
<td>Percent Success</td>
</tr>
<tr>
<td>Attribute</td>
<td>2</td>
<td>3</td>
<td>40.0%</td>
<td>0</td>
<td>0</td>
<td>n.a</td>
</tr>
<tr>
<td>Goal</td>
<td>27</td>
<td>20</td>
<td>56.5%</td>
<td>0</td>
<td>0</td>
<td>n.a</td>
</tr>
<tr>
<td>Risky Choice</td>
<td>0</td>
<td>1</td>
<td>0.0%</td>
<td>0</td>
<td>0</td>
<td>n.a</td>
</tr>
<tr>
<td>Attribute/Goal</td>
<td>5</td>
<td>0</td>
<td>100.0%</td>
<td>0</td>
<td>0</td>
<td>n.a</td>
</tr>
<tr>
<td>Attribute/Risky Choice</td>
<td>0</td>
<td>0</td>
<td>0.0%</td>
<td>0</td>
<td>0</td>
<td>n.a</td>
</tr>
<tr>
<td>Goal/Risky Choice</td>
<td>3</td>
<td>6</td>
<td>33.3%</td>
<td>0</td>
<td>0</td>
<td>n.a</td>
</tr>
<tr>
<td>Attribute/Goal/Risky Choice</td>
<td>1</td>
<td>1</td>
<td>50.0%</td>
<td>0</td>
<td>0</td>
<td>n.a</td>
</tr>
</tbody>
</table>
In analyzing goal framed campaign messages, it needs to be noted as to what other variables are associated with successful and unsuccessful campaigns. Successful, goal framed campaigns (regardless of medium used to communicate the message) differed from unsuccessful campaigns in several descriptive measures. As noted in Table 5 (bold text), successful campaigns had a larger amount of donation levels available (limited and unlimited) at the “low” and “high” categorical tiers, had significantly fewer donations available (across all tiers) for donation levels that were limited, possessed a significantly higher average of filled limited donation levels in the “low” and “high” tiers, as well as a significantly greater number of donations (limited and unlimited) across all categorical tiers.

**CONDITIONAL COOPERATION**

Research Question 2 sought to uncover to what extent the number of available pledges at each tier (low, medium, high) relates to campaign success or failure. As is seen in Table 6 (bold text), there are several important differences in conditional cooperation measures when successful campaigns are compared to unsuccessful campaigns. Successful campaigns are characterized by fewer amounts of “low” and “high” tier limited donation availability, and a greater number of donations (limited and unlimited) across all categorical tiers.

With this data in mind, it is not surprising that significantly more donations were made within each tier for successful campaigns than unsuccessful campaigns, leading to a significantly larger average of levels filled within the “medium” and “high” donation tiers (see Table 6). The trend of larger numbers of donations at each tier for successful campaigns is also apparent within donations tiers that are not limited in quantity. These findings are predicted by conditional cooperation theory.

Table 7 further supports the premise that conditional cooperation drives funding into successful Kickstarter campaigns by showing that successful campaigns have a significantly higher percentage of donation levels filled at the end of set funding periods across all categorical tiers. Most notably, this is seen within the “medium” and ‘high” donation tiers, where larger amounts of funding, per donation, are obtained.
Table 5. Goal Framing Averages of Successful and Unsuccessful Donation Levels

<table>
<thead>
<tr>
<th></th>
<th>Low 1/3</th>
<th>Medium 1/3</th>
<th>High 1/3</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Successful</td>
<td>Unsuccessful</td>
<td>Successful</td>
</tr>
<tr>
<td>Number of Donation Levels</td>
<td>8.2</td>
<td>5.4</td>
<td>1.0</td>
</tr>
<tr>
<td>Number of Donations</td>
<td>74.7</td>
<td>16.9</td>
<td>4.0</td>
</tr>
<tr>
<td>Number of Limited Donation Levels</td>
<td>2.9</td>
<td>2.0</td>
<td>0.6</td>
</tr>
<tr>
<td>Number of Limited Donations Available</td>
<td>156.2</td>
<td>1,770.5</td>
<td>8.7</td>
</tr>
<tr>
<td>Number of Limited Donations</td>
<td>37.4</td>
<td>9.1</td>
<td>1.4</td>
</tr>
<tr>
<td>Number of Limited Donation Levels Full</td>
<td>0.9</td>
<td>0.1</td>
<td>0.1</td>
</tr>
</tbody>
</table>
Table 6. Averages of Campaign Donation Levels. Successful (n=50) vs. Unsuccessful (n=74)

<table>
<thead>
<tr>
<th></th>
<th>Low 1/3</th>
<th>Medium 1/3</th>
<th>High 1/3</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Successful</td>
<td>Unsuccessful</td>
<td>Successful</td>
</tr>
<tr>
<td>Number of Donation Levels</td>
<td>6.7</td>
<td>5.4</td>
<td>1.3</td>
</tr>
<tr>
<td>Number of Donations</td>
<td>85.8</td>
<td>14.4</td>
<td>3.3</td>
</tr>
<tr>
<td>Number of Limited Donation Levels</td>
<td>4.0</td>
<td>4.2</td>
<td>1.0</td>
</tr>
<tr>
<td>Number of Limited Donations Available</td>
<td>115.7</td>
<td>1,080.9</td>
<td>15.0</td>
</tr>
<tr>
<td>Number of Limited Donations</td>
<td>23.8</td>
<td>13.2</td>
<td>2.3</td>
</tr>
<tr>
<td>Number of Limited Donation Levels Full</td>
<td>0.0</td>
<td>0.1</td>
<td>0.1</td>
</tr>
</tbody>
</table>

Table 7. Percent of Limited Donation Levels Filled and Campaign Outcome

<table>
<thead>
<tr>
<th></th>
<th>Low 1/3</th>
<th>Medium 1/3</th>
<th>High 1/3</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Levels Limited</td>
<td>Levels Full</td>
<td>Percent</td>
</tr>
<tr>
<td>Successful</td>
<td>108</td>
<td>15</td>
<td>13.9%</td>
</tr>
<tr>
<td>Unsuccessful</td>
<td>141</td>
<td>2</td>
<td>1.4%</td>
</tr>
<tr>
<td>Total</td>
<td>249</td>
<td>17</td>
<td>6.8%</td>
</tr>
</tbody>
</table>

SUPPLEMENTAL INFORMATION

The prior analysis focused on data directly relevant to the two research questions addressed by this thesis. Supplemental data furthers this analysis by shedding light upon additional factors found to influence successful and unsuccessful Kickstarter campaigns. Findings show that having a self-narrative and stating one’s qualifications, within the campaign page, has a strong influence on campaign outcomes. Of campaigns that were successful, a self-narrative was present 82.0% of the time, as opposed to 62.2% when campaigns were unsuccessful (Table 8). These numbers increased, almost proportionally,
Table 8. Presence of a Personal Narrative vs. Campaign Outcome

<table>
<thead>
<tr>
<th></th>
<th>Successful</th>
<th>Unsuccessful</th>
</tr>
</thead>
<tbody>
<tr>
<td>Narrative Present</td>
<td>41</td>
<td>46</td>
</tr>
<tr>
<td>Narrative Absent</td>
<td>9</td>
<td>28</td>
</tr>
<tr>
<td>Outcome Percentage when Narrative is Present</td>
<td>82.0%</td>
<td>62.2%</td>
</tr>
</tbody>
</table>

when the self-narrative was paired with a framing method, as is seen in Table 9. When campaigns exhibited this particular combination (self-narrative and framing), 97.6% were successful and 82.6% were unsuccessful.

Table 9. Presence of a Personal Narrative and Framing vs. Campaign Outcome

<table>
<thead>
<tr>
<th></th>
<th>Successful</th>
<th>Unsuccessful</th>
</tr>
</thead>
<tbody>
<tr>
<td>Narrative and Framing Present</td>
<td>40</td>
<td>38</td>
</tr>
<tr>
<td>Narrative and framing Absent</td>
<td>1</td>
<td>8</td>
</tr>
<tr>
<td>Outcome Percentage when Narrative and framing are Present</td>
<td>97.6%</td>
<td>82.6%</td>
</tr>
</tbody>
</table>

Additionally, successful campaigns had a significantly lower funding goal (average), and obtained more funding (average) than unsuccessful campaigns: Successful campaigns raised 116.3% of set funding goals, while unsuccessful campaigns raised 10.1% (Table 10).

Table 10. Average Funding Goals vs. Average Amount Raised

<table>
<thead>
<tr>
<th></th>
<th>Successful</th>
<th>Unsuccessful</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funding Goal</td>
<td>$4,948.28</td>
<td>$15,117.93</td>
</tr>
<tr>
<td>Funding Raised</td>
<td>$5,755.66</td>
<td>$1,538.62</td>
</tr>
<tr>
<td>Percent of Funds Raised</td>
<td>116.3%</td>
<td>10.1%</td>
</tr>
</tbody>
</table>
CHAPTER 5

DISCUSSION

Data analysis has revealed that for Research Question 1 message framing has a profound influence on the outcomes of Kickstarter campaigns, and that campaigns which do not utilize message framing are at a severe disadvantage in obtaining set funding goals. This effect is compounded even more so when frames are paired with personal-narratives pertaining to the qualifications of campaign manager(s).

Of the three framing methods analyzed (attribute, goal, and risky choice), goal framing was the only method with a large enough sample size for a meaningful analysis. Although goal framing has become an increasingly popular topic of study in persuasive communications (Levin et al., 1998), there is no prior academic backing to explain why goal framing was used more with Kickstarter campaigns than attribute or risky choice. However, it may be inferred that the excessive use of goal framing stems from Kickstarter’s inherent nature.

Decision-makers visit Kickstarter to find new and innovative products that may not yet be available on the market. Upon discovering a project of interest, the decision-maker will then pledge money into the project, becoming a campaign backer who may receive branded goods, per donation, prior to becoming available to the general public. It is this concept of an end goal (obtaining goods) that may be the motivation behind campaign managers more frequently framing their messages as goal rather than attribute or risky choice. By framing a message as a goal, campaign managers may be able to entice potential backers more than with other prescribed framing methods.

While utilizing goal framing, campaign managers may have an increased ability to entice decision-makers in providing information about tangible objects (goods) that will be received for a donation (e.g., donate now to receive the first production run of product ‘X’), rather than a specific quality of an object (attribute framing), or a potential hazardous risk that may or may not be avoided by donating (risky choice). This principle continues to hold
ground when the discussion is reversed, resulting in a frame that pertains to the campaign manager(s) rather than the decision-maker.

The main objective of every Kickstarter campaign is being able reach a set funding goal within a predetermined time period. For this reason, successfully reaching campaign funding goals becomes of great importance. To accomplish this goal, campaign managers may provide decision-makers with information of what will be gained or lost, as it pertains to the campaign, based on action (donating) or inaction (not donating) respectively. An example of how this may look within a Kickstarter campaign as a gain, may be, “With your help we can make this dream a reality,” or conversely, as a loss, “Without your help we cannot make this dream a reality.” As it can be seen, these two phrases invoke different emotions, and, as current theory predicts, should lead to different outcomes: favoring the loss format.

The results found with goal framing were in accordance with prior research (Gamliel & Herstien, 2007, 2010; Meyerowitz & Chaiken 1987), confirming goal framing to be more successful in obtaining funding goals when framed as a loss, as opposed to a gain. When goal-framed messages were presented as a gain, the success rate fell 0.3% below the average; however, when framed as a loss this parentage rose to 34.7% higher than the average. Thus, this confirmed that when decision-makers or donors are faced with a decision problem, information that is presented in a manner that depicts what will be lost if no action is taken, leads to the decision-maker becoming more willing to donate.

A possible explanation for this occurrence may be that the decision-maker has a fear of losing out, and when presented with a loss frame—stating what will be lost if no action is taken—the decision-maker is then driven to take action and donate. This has been predicted and observed with research performed by Gamliel and Herstien (2007), showing that, in terms of goal framing, private brands show more success when framed in a way that conveys to the decision-maker that they will lose money if they do not purchase the brand. The same was also confirmed in a subsequent study performed by Gamliel and Herstein (2010). Therefore, these findings are significant in that Kickstarter campaigns are comprised of private brands, making this a confirmatory study to the research performed by Gamliel and Herstien (2007, 2010) by showing that when presented with a goal frame, the loss format becomes more persuasive.
Moreover, campaigns that utilized both video-based and text-based goal framing, as a gain, saw a significant increase in success rates. When this combination occurred, framing messages were consistent in the format used (gain or loss). This is an important finding in that it suggests that video-based message frames, when paired with text-based message frames, go against traditional framing theory that predicts loss frames to be more persuasive. Reasoning for this counter to traditional theory may be that individuals interpret visual and audio messages differently than text-based messages, or that having a video-based message supplemented with text enhances the effectiveness of persuasive message framing.

Although it did not occur, if messages were conversely framed, in terms of gain and loss, it may be speculated that the loss frame would take precedent. Reasoning for this is based on the current theory that suggests loss frames are more persuasive than the gains when pertaining to goal framing. For this, Kickstarter campaigns with text-based and video-based messages framed as a loss may have a significantly higher success rate than solely presented text-based loss frames, thus following the trend observed by this study concerning text-based and video-based gain frames.

Furthermore, when comparing the differences between the quantitative factors that may influence whether or not a goal framed campaign becomes successful or not, striking differences emerged. The differences that were found suggest that having larger amounts of donation levels available, along with fewer amounts of limited donations available, aids towards increasing funding, which results in a larger number of limited donation levels reaching their capacity for successful campaigns. These findings represent the underlying concepts of conditional cooperation.

In providing more donation levels, decision-makers may become more likely to back a project when presented with a donation level they wish to donate at. This, in turn, does not drive any decision-makers away, but increases the amount of backers for each project. Furthermore, by providing more donation options, newly visiting decision-makers will see that others have donated, and, in turn, will be more willing to donate themselves. This is compounded more so when limited donation levels have fewer donation amounts available, making each donation even more significant than a single donation made at a level with many more donation slots available.
In addressing Research Question 2, it was seen that the number of pledges available at each categorical tier had a significant influence on whether or not a campaign became successful or not. As with successful goal-framed campaigns, it is shown that successful Kickstarter campaigns have significantly fewer donations available in the “limited” category of donations: most notably seen within the “low” and “high” donation tiers. In having fewer amounts of limited donations available, levels fill-up, or appear to be filling up, much quicker than do the unsuccessful campaign that have a surplus of limited donations available. This tactic draws upon the concepts of conditional cooperation.

Conditional cooperation theory is founded on the idea that individuals want to behave pro-socially, conforming to follow the crowd when it is seen that others are as well: These qualities are present in successful Kickstarter campaigns. With fewer amounts of donations available at each donation level and tier, each pledge made becomes more “potent,” thus showing a project is a worth-while cause and worth the donor’s hard earned money. This is as opposed to unsuccessful campaigns where there is an abundance of limited donations available, especially when focusing attention on the “low” donation tier. With an abundance of limited donations available, each donation made is then “diluted,” due to how insignificant it is perceived when compared to the whole—possibly containing hundreds, if not thousands of available donation slots.

Based upon conditional cooperation theory, as well as the above findings, it is suggested that an optimal, successful, Kickstarter campaign contain 7 low-tier donation levels, 1 medium-tier donation level, and 2 high-tier donation levels. This will provide potential donors with enough donation levels to choose from, so as not to discourage anyone from engaging and donating. Additionally, the following would be recommended for limited donations: assign 4 of the 7 low-tier donation levels to be limited to 25-50 donations available at each level, make the single medium-tier donation level limited with 15 donation slots available, and to do the same for the high-tier donation level with 7 donation slots available. In following these optimum donation level configurations, more donations will be made, due to the availability of options, and each donation being perceived as significant in showing that many others have donated as well. In other words, to on-looking decision-makers, the project appears to be worth-while, thus driving funding into the project campaign.
Furthermore, in accordance with conditional cooperation, it was found that unsuccessful campaigns, on average, have a set funding goal that is over three times higher than successful campaigns. Donations made to successful campaigns, which have lower funding goals, are perceived to be of greater importance to the cause. This is due to the same reasoning as discussed above regarding the dilution of donations.

The finding that having lower funding goals is associated with successful Kickstarter campaigns, complies with conditional cooperation in showing that the desired goal is indeed obtainable and worth-while. An important factor in that conditional cooperation theory predicts individuals to be less likely to contribute to a cause if the goal appears to be unobtainable. For this reason, it is suggested that a successful Kickstarter campaign have a funding goal of $5,000 or less, based on averages of funding goals and totals obtained from successful Kickstarter campaigns.

**PRACTICAL IMPLICATIONS**

With the amount of knowledge gained from this exploratory study of the crowdfunding platform Kickstarter, it becomes important to understand how this information may be applied in the real-world.

With a stronger understanding of how message frames work, along with conditional cooperation, entrepreneurs and startup companies alike will have gained a competitive edge in obtaining funding via the increasingly popular method of crowdfunding. Whether it is through Kickstarter or different platform, the knowledge gained from this study remains applicable.

Even if funding is not obtained by means of crowdfunding, these same principals may still be utilized in business and sales pitches. This may be done by intentionally framing messages in a manner which will invoke a desired response from the recipient; thus, increasing the chances of goal attainment and success.

**LIMITATIONS**

Although the sample used for this study was closely representative to the whole in terms of success rates, the sample only drew from the top 4 of 13 ranked project categories at the time of sampling, and was of a relatively small size. The time of year from which the sample was taken may have further influenced campaign outcomes.
Additionally, the top 4 project categories were similar in the regard that they were all of an artistic and creative nature (Art, Film, Music, and Publishing). This may have resulted in a sample that is not entirely representative of all Kickstarter campaigns, in turn, resulting in data that yielded a prolific amount of campaigns that utilized goal framing, but may have underrepresented attribute and risky choice framing in text and video. This underrepresentation may be attributed to an inherent lack of relevant use of these two frames within the top 4 project categories that were sampled.

Furthermore, there were a disproportional amount of negatively (loss) framed messages throughout the study. As mentioned above, this may be inherently due to the categories sampled, or that people are generally prone to frame messages in a positive light when requesting monetary assistance.

**FURTHER RESEARCH**

It is recommended for future researchers seeking to further this exploratory research to begin to do so by obtaining a larger sample size from all 13 project categories, so as to confirm or disconfirm the underuse of attribute framing, risky choice framing, and negatively (loss) framed messages. By collecting data on all 13 project categories, researchers will also be able to discern whether or not specific categories have unique framing trends associated with them. There is also a need to investigate the influence personal narratives have on funding outcomes, as well as categorical specific trends that may emerge with this, as mentioned above with framing.

Research should also be done to determine whether or not goal framing is more persuasive as a gain or loss when presented within a video message. In addition, since all Kickstarter campaigns must contain text, and videos are an optional addition, research should also be performed to uncover whether text-based, video-based, or combination (video and text-based) framing messages are more persuasive and efficient in obtaining desired objectives and goals. Further research may also be employed to determine how match and discrepancy between text-based and video-based framing approaches affect decision-making outcomes.

Furthermore, for the purposes of this study, goal framing was conceptualized as a unitary construct containing a diverse variety of messages. Further research should create
subcategories within the construct of goal framing to determine if there are specific approaches that emerge as being more successful than others in terms of reaching crowdfunding goals.
REFERENCES


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APPENDIX

KICKSTARTER CODING SHEET
Framing:
Directions: Read all text on the campaign page. Mark and respond to all that apply.
1. Attribute framing present in text: YES  NO (if “NO” skip ahead to number 2)
   1.1. What section(s) is it located under:
   1.2. Prominence of section(s):
   1.3. Positive  Negative

2. Goal framing present in text: YES  NO (if “NO’ skip ahead to number 3)
   2.1. What section(s) is it located under:
   2.2. Prominence of section(s):
   2.3. Positive  Negative

3. Risky Choice framing present in text: YES  NO (if “NO” skip ahead to number 4)
   3.1. What section(s) is it located under:
   3.2. Prominence of section(s):
   3.3. Positive  Negative

4. Is video present: YES  NO (if “NO” skip ahead to number 8)
   4.1. How many:
5. Do any videos use Attribute framing: YES   NO (if “NO” skip ahead to number 6)
   5.1. If yes how many:
   5.2. Prominence of video(s):

6. Do any videos use Goal framing: YES   NO (if “NO” skip ahead to number 7)
   6.1. If yes how many:
   6.2. Prominence of video(s)

7. Do any videos use Risky Choice framing: YES   NO (if “NO” skip ahead to number 8)
   7.1. If yes how many:
   7.2. Prominence of video(s):

**Donations Appeals:**

8. How many donation levels are there:
9. What are the donation levels:
10. How many donations are available for each level:
11. What levels are full:
12. How many limited donations were made at each tier:
   12.1. Low-
   12.2. Medium-
   12.3. High-
13. How many total donations were made at each tier:
   13.1. Low-
   13.2. Medium-
   13.3. High-
14. Is there a narrative stating the qualifications of the campaign manager(s): YES   NO