

# KEY DETERMINANTS OF THE SUCCESS IN REWARD-BASED CROWDFUNDING PROJECTS: THAI ENTREPRENEURS AND BACKERS' PERSPECTIVE

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## ABSTRACT

*Crowdfunding is an emerging innovative financing option for project fundraising using the Internet platform to draw on relatively small contributions from the crowd. New entrepreneurs who have creative ideas normally face difficulties in project financing from traditional sources of funds like bank loans because of the risky nature of new creative projects from entrepreneurs and because they have no collateral assets to pledge for credit facilities from banks. This research started from the beginning of an exploration into the crowdfunding context through a qualitative approach. The purpose of this study was to highlight key determinants of success in a crowdfunding project. The research data was collected, through semi-structured interview, from five entrepreneurs and six backers who had experience in crowdfunding. Using the previous literature as a foundation and responses from interviews, the findings demonstrate that there are five aspects consisting of entrepreneurial, multimedia usage, communication, project and campaign aspects for entrepreneurs to focus on during their planning and preparation for a crowdfunding project. This outcome offers a preliminary foundation in the context of crowdfunding that can be utilized as the guide to effectively design crowdfunding campaigns and strategies for entrepreneurs who may be considering utilizing crowdfunding for their project fundraising.*

**Keywords:** Crowdfunding, Entrepreneurs, Backers, Funders, Fundraising

## INTRODUCTION

Crowdfunding is a valuable alternative source of fundraising that allows project creators to request funding from a potentially large pool of backers using the Internet. Entrepreneurs. New entrepreneurs in the early stages of their business are traditionally at greater risk and have a higher rate of failure in comparison with other businesses as there is uncertainty about the development of unproven products and services (Valanciene & Jegeleviciute, 2013). The classification of crowdfunding is in four types based on business stage, objective, return type and risk level as presented in Table 1 below.

Reward-based crowdfunding and donation are typically adopted at the seed stage of a business when the business entity has not yet formally been set up but new entrepreneurs have a creative project and plan to design a prototype or donation activities.

<b>Crowdfunding Type</b>	<b>Donation</b>	<b>Reward (Pre-paid)</b>	<b>Loan (Peer to Peer)</b>	<b>Investment (Equity)</b>
Business stage	Seed period		Start-up period	
Business objective	No business entity, entrepreneurs have only the idea and intention to develop a prototype or do for social / donations		Business just starts to incur income and needs funds for production and marketing	
Return type	No return	Non-financial return	Financial return	Dividend or capital gain (Return based on profit sharing or ownership)
	For tax-deductible or project satisfaction	Product or service from entrepreneur's production and fundraising	Interest	
Risk level	Low		High	Highest
	No return expectation or no financial return		Have the chance to lose a partial amount	Have the chance to lose all investment cost

Source: *The Stock Exchange of Thailand*

Reward-based crowdfunding and donation have a low-risk level as supporters do not expect any financial return from their funding contribution. Donors in donation-based crowdfunding commonly give their money to this kind of crowdfunding without any expectation of return (Guan, 2016). However, donors in some countries may receive tax-deductible benefits from their donation, whereas backers in reward-based crowdfunding receive a reward for backing the project. In a reward-based crowdfunding platform, individuals who contribute their money to a project do not receive any financial return or repayment from the project in return for their funds (Bi et al., 2017). In lending-based crowdfunding, funders lend their money to specific projects to earn a specific interest rate and there is a high default risk as funders may disappear with the investment money (Guan, 2016). However, equity-based crowdfunding involves the founder exchanging ownership interest in the firm in return for an investor contribution. Investors are entitled to future dividends and a share in the proceeds if a company share is sold. Capital funding goals are typically higher and investors' contributions are also larger relative to other crowdfunding models (Beaulieu et al., 2015). Lending-based crowdfunding is high risk as funders may not receive all or part of the principal amount and interest on the payment due date whereas equity-based crowdfunding has a highest risk among other crowdfunding types because investors may totally or partially lose their funding if the share price dramatically drops.

There are five benefits of fundraising through crowdfunding. First, an entrepreneur has the low cost of funds (Belleflamme et al., 2014). When a business has no profit, there is no burden or commitment to give a return to contributors whereas the company has to pay interest and the principal to its lenders or pay a dividend to its equity holders. Second, after the completion of the crowdfunding process, entrepreneurs do not lose the shareholding right to control of their business (Valanciene & Jegeleviciute, 2013). Third, there is a short funding period requirement as the campaign period in crowdfunding is only approximately 2 to 3 months whereas the venture capital funding process needs a funding period of more than 3 months. Fourth, crowdfunding can be viewed as a marketing tool without any marketing expense to serve as an indicator of whether or not there is a market for the new product or prototype before launching the actual product (Mollick, 2014) (Belleflamme et al., 2015). Entrepreneurs can gauge the potential for a successful projection of the business based on the public's response to

the request for support (Valanciene & Jegeleviciute, 2013). In addition, this also helps entrepreneurs to communicate their prototypes to the public. Finally, crowdfunding provides a good opportunity for successful projects to be funded easily by venture capital or big investors with an additional larger fund in the future (Belleflamme et al., 2015).

However, there are three disadvantages to crowdfunding. First, there is a huge investment risk with early-stage projects which are highly uncertain for project completion (Valanciene & Jegeleviciute, 2013). Second, entrepreneurs seeking to crowdfund their business face the risk of their idea stolen by funded investors or large corporations while entrepreneurs might lack the knowledge to protect their ideas and business plans (Valanciene & Jegeleviciute, 2013). Lastly, entrepreneurs who have no intention of doing business may commit fraud after they receive funding or use the fund for a purpose other than the initial project's objective. Some businesses might even be created for fraud because some projects can be started in order to attract funding, pay it all as salary and, then, shut it down (Valanciene & Jegeleviciute, 2013).

In this research, we focus on reward-based crowdfunding because it is the largest category of crowdfunding in terms of the overall number of crowdfunding platforms as well as the funding amount raised over the past years (Kunz et al., 2017). This crowdfunding type represents both a large variety in the capital goals sought and a large variety of individual contributions received (Beaulieu et al., 2015).

## LITERATURE REVIEW

Crowdfunding refers to efforts by entrepreneurs to fund their money by drawing on relatively small contributions from a relatively large number of individuals using the Internet, without using financial intermediaries (Mollick, 2014). Crowdfunding began gaining mainstream traction with the launch of the crowdfunding platform Indiegogo in 2008 and Kickstarter in 2009. There are two types of financing models in each crowdfunding platform; the “*All-or-Nothing*” model and the “*Keep-it-All*” model. In the first model, project creators receive money only if the project has reached its funding target before the deadline and receive nothing for failed projects. By contrast, the latter model gives founders the entire amount raised even for failed projects (Cumming et al., 2019). It could be suggested that the public is more willing to give money in the “*All-or-Nothing*” model (Yu et al., 2018) because it is less risky for supporters since projects that are not fully funded have less likelihood of completion. Funds raised on Kickstarter follow a rule called the All-or-Nothing model which means no one will be charged for a pledge to a project unless it reaches its funding target.

Three parties are involved in the crowdfunding process: entrepreneurs, backers and crowdfunding platforms. First are entrepreneurs who have a creative idea to develop a new product and need capital from the crowd to support their project. From the project initiator's perspective, crowdfunding can lower the cost of accessing capital by matching project creators with backers who have a willingness to fund and generate valuable social media attention by engaging their customer base and accessing valuable market information from funders such as customers' preferences. (Agrawal et al., 2014; Gerber & Hui, 2014). Second, backers are members of the crowdfunding community who decide to contribute their financial resources to the project. Funders normally analyze proposed ideas and choose the ones they like and believe in to fund and have a desire for them to succeed (Valanciene & Jegeleviciute, 2014). Finally,

crowdfunding platforms are website platforms, which aim at connecting backers to entrepreneurs. Crowdfunding platforms themselves are motivated by the profit potential generated from nominal and percentage transaction charges on contributions (Agrawal et al., 2014).

In previous studies, most crowdfunding articles were written from a funding contributor's perspective while there are a few studies conducted from the project initiator's point of view. Furthermore, most of these crowdfunding studies focus on developed countries. To shed light on this issue, the objective of this paper is to close this research gap by exploring and investigating the key determinants and obstacles for crowdfunding projects launched by entrepreneurs or start-ups in Thailand as well as Thai backers who have experienced investment in crowdfunding projects. As a result, the purpose of this study is to demonstrate the potential to draw new conclusions using qualitative methods and capitalize on the new perspective in terms of the valuable experiences in successful or unsuccessful campaigns in crowdfunding from Thai entrepreneurs' and backers' points of view to provide a more comprehensive survey.

## RESEARCH METHODOLOGY

We draw on qualitative data from interviews with crowdfunding experts in both crowdfunding creators and backers who provide insights into how to maintain success in fundraising under crowdfunding platforms. We carried out this study using a grounded theory approach which is the qualitative research method developed by Glaser and Strauss (Glaser & Strauss, 1967). This method begins with inductive data that we analyzed from the very beginning of data collection. It is an iterative method because early analysis informs further data collection and grounded theorists go back and forth between data collection and analysis. This strategy helps grounded theorists to refine their emerging theoretical categories through successive levels of increasingly focused data collection and analytical development (Charmaz, 2015). The tool of analysis was analytical memo writing (Corbin & Strauss, 2008). The objective of this study is to develop a new theory of the key determinants of success in a reward-based crowdfunding project.

### Sampling and Data Collection

We applied the non-probability purposive sampling technique to get responses merely from entrepreneurs and backers. The list of possible participants was observed in Kickstarter, a reward-based crowdfunding platform that, currently, is one of the world's largest crowdfunding websites. We sent emails to Thai project creators on the Kickstarter platform to invite their participants to a formal interview and asked them to suggest which Thai backers contributed money to them. Finally, five of the entrepreneurs and six backers willingly joined in the face-to-face interviews at their workplaces (Table 2).

We conducted semi-structured in-depth interviews between July 2019 and September 2019. The interviews took place as face-to-face interviews where the observations in time of direct interactions with interviewees allowed interviewers to capture and confirm more in-depth opinions of participants.

	NAME	BACKER
Number of participants		
Age range of participants		
21-30 years old		2 people
31-40 years old	3 people	4 people
41-50 years old	2 people	
Education level of participants		
Bachelor degree	2 people	5 people
Master's degree	3 people	
Doctoral degree		1 person
Experience in involvement with crowdfunding		
1-4 years	1 person	1 person
5-8 years	3 people	4 people
9-12 years	1 person	1 person
Data collection period	Between July 2019 and August 2019	Between August 2019 and September 2019
Interview time	Between 60 – 100 minutes with an average length of 85 minutes	Between 60 – 75 minutes with an average length of 65 minutes
Data collection method	Semi-structure in-depth interview	
Interview type	Face-to-face interview	
Interview tool	Tape recording and interview memo	

The interview time lasted between 60 – 100 minutes; the average length was 75 minutes which were recorded and transcribed. The objective of a semi-structured interview is to explore themes or issues of interest to the research while allowing space for participants to discuss ideas that they find particularly relevant (Hunter, 2016).

We designed interview questions to attract interviewees' opinions about their concerns and expectation in participating in the crowdfunding campaign and how project creators or funders found the experiences, particularly the amount of work or key considerations for their decision. Together with this semi-structured interview, participants could be encouraged to discuss any issues of particular interest from their point of view and add new ideas that the interviewer did not especially inquire about. The questionnaire was also reviewed and improved by five experts pursuing doctoral degrees in information technology, business administration and finance and approved by the research ethics review committee for research involving human subjects.

## Data Analysis

We carried out a semi-structured interview structure to cover the key determinants of the success and challenges in reward-based crowdfunding projects from both Thai entrepreneurs and backers who had experience in the crowdfunding campaign. The interview is considered a key component in collecting data in qualitative research for recording actual perceptions of participants including the involvement of data coding, determining and differentiating the identified variables and estimating the relative significance of identified variables based on frequency (Creswell, 2014).

Memos were used in each interview to keep records of analysis and support the development of further relationships among the coded variables. We captured the interesting opinions and behavior that was extracted from the interviews and performed data analysis using open coding of the interview transcriptions (Corbin & Strauss, 1990; Strong et al., 2014), cross-checking our findings against what we already knew about crowdfunding from our social interactions and the literature. During open coding, several concepts and opinions began to surface and we stopped open coding when no new themes began to emerge. We focused on the creation of more abstract connections to discover relationships and to explore the most probable relationships between open codes in the interview data. The reliability and validity of qualitative research can be assessed by triangulation (Creswell, 1998) which involves checking the information with different sources. In this research we employed data triangulation by examining various sources of information such as journal articles, books, websites and interview memos.

## FINDING RESULT

From our analysis of interview data from semi-structured interviews employing the grounded theory approach we were able to summarize the key determinants of success in reward-based crowdfunding projects from the viewpoint of Thai entrepreneurs and backers who had experience and involvement in crowdfunding campaigns in five aspects consisting of (1) the entrepreneurial aspect (2) the multimedia usage aspect (3) the communication aspect (4) the project aspect (5) the campaign aspect (Table 3). We also ranked the important level of each element in each aspect from the valuable experiences of participants according to the opinion of important levels as explained by interviewees.

### Entrepreneurial Aspect

The entrepreneurial aspect can be categorized into two components. The first component is an entrepreneurial experience to launch a crowdfunding project with a level of importance at medium-to-high level, especially experience in successful crowdfunding projects and the disclosure of the entrepreneur's real name, working experience and face picture were ranked at the high level of important driving force in the success of a crowdfunding project. An entrepreneur commented on the experience element thus.

Entrepreneurs who have experience in crowdfunding, especially successful experience, are highly likely to gain credibility, which leads to success in fundraising. They know how to manage and execute their project effectively when compared with a new entrepreneur with no experience in a lunch crowdfunding project. Furthermore, the tracking record of their achievement to deliver the commitment in previous crowdfunding projects has the most impact on the backer's contribution.

In addition, one funder, who supported money to crowdfunding projects said:

The risk of the created project by an entrepreneur who has experienced in crowdfunding is normally lower than a project created by a new entrepreneur with no experience who does not know marketing, production and project management.

Moreover, the project owner's identity information such as the entrepreneur's real name, working experience and face picture has strongly affected how backers perceive trust and build more credibility, which in turn leads to a higher potential to reach the fundraising goal.

### **Multimedia Usage Aspect**

The multimedia usage aspect is the most important aspect from the entrepreneur's and backer's points of view. This component consists of pictures and videos which project creators should pay huge attention to as these two media can be built to more effectively influence and convey the project's visual understanding and realization to their audiences.

One entrepreneur pointed out that:

Having good pictures is a very important tool as the best picture can make funders understand the project and reward better and help to draw the funders' interest to demand the project rewards effectively.

In a video, a project creator normally presents the product that is being used to raise the capital. The length of time in the video should not be longer than 3 minutes to attract the attention of the audience. Project initiators can further give more realistic detailed information about the project and rewards which makes the funding process more trustworthy and interesting.

Moreover, one backer added:

The visual picture is the most important tool to reach contributors' awareness to realize the project campaign or reward. This also increases the chance of the campaign dragging in some funders who do not like to read a lot of project detail. In addition, making a good and interesting video ultimately helps the backer's decision-making to support the campaign fast and easily.

### **Communication Aspect**

The communication aspect can be in terms of the number of releases updated by creators and comments from funders. Entrepreneurs need to maintain communication with backers and potential contributors frequently throughout the campaign period. If project initiators create sufficient content of additional updates on the campaign, these can demonstrate a good chance of the project's success. One entrepreneur claimed:

When I released the update on to the campaign website, it seems like I made the online marketing very timely and kept close communication with the support. I usually reply to all comments from funders to answer their concerns or questions so as to manage unexpected matters and increase the chance of project success. If an entrepreneur gets more comments from the funder, it means more people are interested in the campaign; positive comments can especially bring in more people to support the campaign.

According to one contributor's explanation:

The released updates by project creators reflect their intention to make the dream project come true. If the entrepreneur can reply to negative comments with a reasonable and meaningful answer, it increases the credibility of the entrepreneur. Reading the comments can help funders to understand some questions and answer about the project or the rewards which they may have overlooked at first when they were reading the project description.

## Project Aspect

The project aspect can be divided into three components, namely, the availability of a project home page, having various reward types and the length of the project description. First, the availability of a project home page is an essential tool as an entrepreneur should have a unique project website to give more project details and information about the campaign and rewards to the crowd. One entrepreneur stated:

Having a project website can therefore enhance their options of communicating with the target audience. It further indicates that an entrepreneur's objective may not be to achieve a single campaign but to start a business. Therefore, having a project home page may be perceived as a positive chance to project success.

One funder added:

Having a project home page can be another channel where the backer can find more detail of the project. There is no negative issue to having a project website from the backer's viewpoint.

The second component is the variety of reward types. An entrepreneur who can offer more choices of reward can increase the chance of backers to pledge their money to the campaign. One funder suggested that:

Entrepreneurs should propose various kinds of reward in their campaign as more reward types and more choices for backers to select the appropriate reward to them. Many of the reward choices may include various colors or designs of reward and volume discount for the bulk pledge as well as a limited edition for some certain rewards.

The third component is the length of the project description. Most backers agreed that the project campaign should have enough information to allow readers to perceive this project as more reliable. Normally, the length of the project description should be around three to four pages of A4 size. However, too much project description is also not good for readers as audiences have to take a lot of time to read and understand everything. Under these circumstances, formally suitable written project descriptions may reflect the preparedness and professionalism of entrepreneurs and hence increase the positive perception of supporters and increase the likelihood of funding success.

## Campaign Aspect

The campaign aspect can be divided into three components which are campaign duration, the delivery time of reward and funding goals. The first component is campaign duration which means the number of days allowed to the backer to decide to support the campaign. Entrepreneurs and funders suggest this component is at a high level of importance. In the Kickstarter platform, it allows the project initiator to adopt the maximum of campaign duration of 60 days.

However, one entrepreneur suggested;

If we adopt a longer fundraising period like 60 days, it might expose an uncertain narrative for a crowdfunding project and these longer period results in a decreasing of support from the funder because some backers may give up their demand for reward or refuse to wait for a longer time. The best campaign period is around 30 days.

In addition, one backer suggested;

I am excited if I can get the reward in a shorter period since I gave money to the project. Nevertheless, I usually propose our decision to support the project for a longer funding period of



60 days and wait for a certain period to come back later or sometimes I might forget to come back.

**Table 3**  
**DESCRIPTION OF STUDY**  
**KEY DETERMINANTS OF THE SUCCESS**  
**IN REWARD-BASED CROWDFUNDING PROJECT**

Initial Elements	Level of Importance	Components	Components	
Having experience in creating a crowdfunding campaign	Medium	Entrepreneurial experience to launch a crowdfunding project	Entrepreneurial aspect	
Having experience of both successful and failed projects created by creators	Medium			
Having experience of successful projects created by creators	High			
Disclosure of creator's real name	High	Disclosure of entrepreneurial identity information		
Disclosure of creator's working experience	High			
Disclosure of creator's education	Low			
Disclosure of creator's address	Medium			
Disclosure of creator's email	Medium			
Disclosure of creator's mobile phone number	Medium			
Disclosure of creator's face picture	High			
Share of creator's Facebook	Medium			
Disclosure of creator's working team	Medium	Picture used on the campaign website	Multimedia usage aspect	
Having a picture in the project information	Very high			
Number of pictures shown in project details	Very high			
Having pictures showing reward details	Very high			
Having pictures demonstrating reward usage	Very high			
Having a video in the project information	Very high			Video used on the campaign website
The length of the video to explain project detail	Very high			
Having a video showing the real creator	High			
Having a video showing reward details	Very high			
Having a video demonstrating reward usage	Very high			
Number of released updates by the creator	Very high	Project updated by the creator	Communication aspect	
Number of released frequently asked questions by the creator	High			
All comments from backers	High			Project commented on by backers
Negative comments from backers	Very high			
Availability of a project home page	High	Availability of a project home page	Project aspect	
Having various reward types	High	Having various reward types		
Length of project description	Very high	Length of project description		
Having details of project objective and management plan	High			
Campaign duration	High	Campaign duration	Campaign aspect	
Delivery time of reward	High	Delivery time of reward		
Funding goal	Medium	Funding goal		

The second component is the delivery time of reward which means the number of days in which the project creator plans to deliver their reward after the achievement of the funding goal.

This component has an importance level at a high level as it can reflect the project initiators' confidence and ability to deliver the rewards as promised and on time. One entrepreneur shared:

If we have a longer delivery time of reward, most of the backers may reject their support of the campaign. On the other hand, shortening the delivery time may imply an unreasonable commitment to hand over the reward. This finally decreases the entrepreneur's credibility. Therefore, I prefer to apply a delivery time of reward of around 2-3 months.

The last component is the funding goal which is rated at a medium level of importance. In the Kickstarter platform, funds raised on the platform follow a rule called the All-or-Nothing model which means no one will be charged for a pledge towards a project unless it reaches its funding target. Consequently, a high funding goal implies more effort is required by the entrepreneur to deliver the requested funding. Both entrepreneur and funders have the same opinion that:

The decreasing in funding goal makes fundraising easier. However, funding goals should be set realistically to reflect entrepreneurs' credibility.

## DISCUSSION

Crowdfunding is a global and rapidly emerging novel financing option for entrepreneurs who have creative ideas and projects but how to prepare themselves to enhance the chance of success in project fundraising is still a challenge in achieving their funding target from a crowd. The results show that the success factors can be categorized in five aspects. First, the entrepreneurial aspect which consists of entrepreneurs' experience in a created crowdfunding project, especially in successful experiences, thus making entrepreneurs more likely to be successful in their fundraising which is in line with research studies by Kim et al., 2017 and Daoyuan, 2016 because entrepreneurs who have a successful track record in crowdfunding projects can remarkably accumulate their knowledge and skill, and enhance the possibility to the success of their crowdfunding project. Furthermore, an entrepreneur's identity disclosure such as the entrepreneur's real name, working experience and face picture has strongly affected how supporters perceive trust in crowdfunding project creators. Consequently, in the crowdfunding context, a project with a clear impression of the entrepreneur profile will gain more credibility, which in turn will lead to a higher potential to achieve the fund target (Kim et al., 2017).

Second, multimedia usage aspect which can be used in terms of both good pictures and videos which have a positive impact on backers' funding contributions corresponded to the previous studies which concluded that a higher number of pictures is also positively associated with funding success (Zhou et al., 2016; Kunz et al., 2017) and a project video can help potential funders to perceive the project in reality and inspire them to pledge campaigns (Daoyuan, 2016; Kunz et al., 2016).

Third, the communication aspect can be constructed from the updates by project initiators and comments provided by contributors. Both updates and comments can strengthen the relationship between the initiator and the crowd and hence lead to a higher degree of trustworthiness. These communication tools help to reduce information asymmetries between involved parties (Kunz et al., 2017).

Fourth, the project aspect consists of the availability of a project home page, having various reward types and the length of the project description. This is especially apparent in that

most projects have a unique project website. Projects not featuring their website or ones on a social media platform have a substantially lower success probability (Müllerleile & Joenssen, 2015). For the variety of reward types, it can further be concluded that the more (different) rewards a project offers, the more options a potential funder has to pick from which ultimately results in more financial support (Kunz et al., 2017). The length of the project description is one issue where entrepreneurs should provide enough project detail to the pledger since when a project's introduction or description is more detailed, investors will perceive this project as more reliable (Bi et al., 2017).

Lastly, the campaign aspect can be split into three components which consist of campaign duration, the delivery time of reward and the funding goal. Longer campaign duration and a higher requirement of funding goals are negatively associated with funding success (Zhou et al., 2016). In the context of crowdfunding, the delivery time is seen as a critical signal of project quality. Adoption of a long period of delivery time implies a risky project and thus perceives the initiator as not prepared enough to get his project realized. Consequently, the increased delivery time may serve as a negative signal which may lead to a decreased probability of project success (Kunz et al., 2017).

This research also provides theoretical contributions by the developing of conceptualization of key determinants in success in crowdfunding which can be implied as a theoretical framework for examining more insights in the future by other researchers in the context of the crowdfunding field.

The study also hands over practical implications as a practical guideline for entrepreneurs to increase their possibility of achieving fundraising by revisiting project preparation and implementation to recognize key determinants of success in a crowdfunding project. Furthermore, the study's results can provide recommendations for crowdfunding platform planning and policy to redesign platform structure and to improve their service.

There are three limitations of the research presented in this paper. First, the sample size of interviewees is small. For other researchers in the future, more interviewees should be approached for a better and wider range of participants' opinions. Second, all participants had experience and involvement in fundraising under reward-based crowdfunding. Future research may investigate other crowdfunding types such as donation; lending and equity-based crowdfunding may be examined. Lastly, the unique cultural context in which this study was conducted may also mean that it is not generalizable outside Thailand. Future research could examine other contexts to see how empirically generalizable the findings are as well as to investigate further entrepreneurs who are in a different country.

## CONCLUSION

A crowdfunding transaction involves three parties: the entrepreneurs who initiate the crowdfunding project and seek the capital for project fundraising, the backers who contribute their money to support project funding needs and the crowdfunding platform which is the connecting channel between the project creators and funders through an online platform. The results of this study demonstrate the key determinants of the success in reward-based

crowdfunding projects which can be useful for entrepreneurs who plan to launch a crowdfunding project.

This research concludes that there are five aspects which consist of entrepreneurial, multimedia usage, communication, project and campaign aspects for entrepreneurs to focus on during their planning and preparation before launching a new crowdfunding project, as well as the interactions they are involved in with their backers during the campaign period and their management for production and delivering of rewards to funders. To enhance the possibility of the achievement of a crowdfunding project, entrepreneurs can design the project story and information to cover all important information that backers are expected to understand and trust for their pledges. Furthermore, crowdfunding platforms can design their website structure to capture all necessary required information from the backer's point of view to support their funding decisions.

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