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THESIS

**IMPACT OF RISK AND MOTIVATION TYPES ON AN INTENTION TO
INVEST IN CROWDFUNDING**

Allowed to defend _____

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TABLE OF CONTENTS

LIST OF TABLES	3
LIST OF FIGURES	5
LIST OF PICTURES	6
INTRODUCTION	7
1. THEORETICAL ANALYSIS OF RISKS AND MOTIVATIONS TO INVEST IN CROWDFUNDING.....	11
1.1 Theories and models preceding the research.....	11
1.2 The phenomenon of Crowdfunding	13
1.3 The classification of Crowdfunding.....	15
1.4 Crowdfunding investors: reasons to participate and peculiarities of the participation process.....	19
1.5 Motivation to crowdfund: investor’s perspective.....	22
1.6 The main investor’s risks and deterrents of participation in Crowdfunding.....	25
1.7 Influence of attitude and trust to the intention to invest in crowdfunding.....	31
2. METHODOLOGY AND RESEARCH DESIGN FOR ASSESSING RALTIONSHIPS BETWEEN RISK AND MOTIVATION TYPES AND THE INTENTION TO INVEST IN CROWDFUNDING.....	34
2.1 Research model (Concept) and the hypotheses.....	34
2.2 Method of Data Collection.....	41
2.3 Sampling and Questionnaire design.....	43
2.4 The scope of research.....	47
3. RESEARCH OF THE INFLUENCE OF RISK AND MOTIVATION TYPES ON THE INTENTION TO INVEST IN CROWDFUNDING: DATA ANALYSIS AND RESULTS.....	48
3.1 Pre-evaluation procedures.....	48
3.2 Evaluation of the hypothesis.....	56
3.3 Conclusions and recommendations.....	73
Summary	79
References	83
Appendixes	94

LIST OF TABLES

Table 1. The definitions of Crowdfunding.....	13
Table 2. The typology for crowdfunding	18
Table 3. The characteristics of motives	24
Table 4. Sample sizes of previous research	43
Table 5. Reliability of a construct Enjoyment.....	49
Table 6. Reliability of a construct Sense of Community.....	49
Table 7. Reliability of a construct Immediate and Delayed payoff.....	50
Table 8. Reliability of a construct Relationship.....	50
Table 9. Reliability of a construct Fraud.....	50
Table 10. Reliability of a construct Entrepreneur’s Incompetence.....	51
Table 11. Reliability of a construct Information Asymmetry.....	51
Table 12. Reliability of a construct Enjoyment.....	52
Table 13. Reliability of a construct Financial Risk.....	52
Table 14. Reliability of a construct Attitude.....	52
Table 15. Reliability of a construct Trust.....	53
Table 16. Reliability of a constructs (overview).....	53
Table 17. Crosstabs Chi-Square Test for measuring the difference of the factor Gender among 2 questionnaires.....	54
Table 18. Mann-Whitney U-Test for measuring the difference of the Age’s category among 2 questionnaires.....	54
Table 19. Mann-Whitney U-Test for measuring the difference of the Income’s category among 2 questionnaires.....	55
Table 20. Crosstabs Chi-Square Test for measuring the difference of the factor Residence among 2 questionnaires.....	55
Table 21. Correlation analysis of the relationship between motivation factors and the attitude to crowdfunding	57
Table 22. Correlation analysis of the relationship between risk factors and the trust to crowdfunding	59
Table 23. Correlation analysis of the relationship between attitude and trust factors and the intention to invest in crowdfunding	60
Table 24. Correlation analysis of the relationship between motivation factors and the attitude to crowdfunding (donation-based crowdfunding, experienced investors)	61
Table 25. Correlation analysis of the relationship between motivation factors and the attitude to crowdfunding (donation-based crowdfunding, non-experienced investors)	62
Table 26. Correlation analysis of the relationship between motivation factors and the attitude to crowdfunding (reward-based crowdfunding, experienced investors)	64
Table 27. Correlation analysis of the relationship between motivation factors and the attitude to crowdfunding (reward-based crowdfunding, non-experienced investors)	65
Table 28. Correlation analysis of the relationship between risk factors and the trust to crowdfunding (donation-based crowdfunding, experienced investors)	66
Table 29. Correlation analysis of the relationship between risk factors and the trust to crowdfunding (donation-based crowdfunding, non-experienced investors)	67
Table 30. Correlation analysis of the relationship between risk factors and the trust to crowdfunding (reward-based crowdfunding, experienced investors)	68

Table 31. Correlation analysis of the relationship between risk factors and the trust to crowdfunding (reward-based crowdfunding, non-experienced investors)	69
Table 32. Correlation analysis of the relationship between attitude and trust factors and the intention to invest in crowdfunding (donation-based crowdfunding, experienced investors)	70
Table 33. Correlation analysis of the relationship between attitude and trust factors and the intention to invest in crowdfunding (donation-based crowdfunding, non-experienced investors).....	71
Table 34. Correlation analysis of the relationship between attitude and trust factors and the intention to invest in crowdfunding (reward-based crowdfunding, experienced investors).....	72
Table 35. Correlation analysis of the relationship between attitude and trust factors and the intention to invest in crowdfunding (reward-based crowdfunding, non-experienced investors).....	72

LIST OF FIGURES

Figure 1. Research model (construct)	37
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LIST OF PICTURES

- Picture 1. Regression analysis of testing the most significant factor influencing attitude 58
- Picture 2. Regression analysis of testing the most significant factor influencing attitude 63

INTRODUCTION

Over the last ten years, a new source of finance for start-ups, known as ‘crowdfunding’, has become widely available. The raising popularity of crowdfunding can be related with the fact that the Internet has lowered the costs of raising funds in this way by facilitating the dissemination of information about small projects (Pearson&Johdet, 2016). Besides the fact that this instrument starts being advantageous for individuals in their pursuit for profit/reward, crowdfunding performs important social functions which are emphasized as an important once in the studies by (Herzensteinit, 2011; Moritz&Block, 2016; Mollick, 2014).

The first glance at the theory of crowdfunding investment displays the tendency to generalize and simplify, in a way, the issue of investors’ intention management. (Hu et.al., 2015) However, having clear understanding of how investors are motivated and what risks they face, company-owners can use these factors and better promote their crowdfunding campaigns, which may increase their chances of getting successfully funded (Bi et.al., 2017). What is more important, this knowledge can make it possible to adapt the practice of investing in crowdfunding to all types of investors by communicating risks and damages in a way acceptable and appealing to all actors.

While analyzing, we refer to the increasing crowdfunding literature recognizing that crowdfunding has growing importance and differs from traditional investing methods (Bayus, 2013). However, the sources are focused on external forces (e.g., social influence, geographical distance) or the characteristics of all the actors (e.g., creative creators’ charity platforms) rather than individual intention factors that affect investor’s behaviors (Colombo&Wright, 2017). Instead, the work shows that investor’s motivation and risk drivers is an important factor that has variety of classifications and directly influence the investor’s intention.

From motivational frameworks proposed by previous studies, It was reviewed that two dominant motivation dimensions: intrinsic vs. extrinsic and self-oriented vs. other-oriented. The division between intrinsic and extrinsic motivation in the Self-Determination Theory (SDT) was revealed as special framework and describe motivation from two sides (Deci et al. 1985; Ryan et al. 2000a; Ryan et al. 2000b). The SDT considers a behavior as extrinsically motivated when it is conducted to acquire a significant outcome. On the other hand, a behavior is intrinsically motivated when it is performed for its own inherent fun or enjoyment (Ryan et al. 2000a). Studies have shown how and why both intrinsic and extrinsic motivation are activated, including such drivers as enjoyment (Organisciak, 2008), sense of community (Wechsler, 2013), relationship (Hermer, 2011), immediate and delayed payoff (Gerber, et al., 2012), and personal need (Bretschneider et al., 2014). Furthermore, depending on the type of orientation, investors are divided into two different types: self-oriented investors and other-oriented investors (Hemetsberger 2002). Self-oriented investors type involves the uncomplicated link between themselves and an object (e.g.,

task, product), whereas other-oriented motivation is concerned with the actor's social and emotional relationships around the object (Barnett et al. 1987). In the context of open source software development, potential contributors may participate in certain projects, inspired by self-oriented (e.g., fun, learning, pay), or other-oriented (e.g., altruism, reciprocity) motivation, or both (von Krogh et al. 2012).

What concerns risks and the main occasions that can lead to avoidance of such method as crowdfunding. Besides giving a great deal of motivation and encouragement, crowdfunding provides investors with great amount of risks which can interfere with the process. Of course, the most popular risks are the financial ones. But literature analysis over the motives crowdfunding investors has shown the dominance of other-than-financial motivation, we can suggest that there are other-than-financial risks that affect potential investor's behavior (Mollick, 2012). The most popular risk groups include such deterrents as fraud and incompetence of entrepreneur (Koetsier, 2012). From the other hand it is important to mention that incompetent investors can affect the process too and put at risk the efforts of the entrepreneur's side (Seidt et al., 2012). Another risk is the information asymmetry. Considering the fact that many of the investors are willing to become part of crowdfunding community, it seems of absolute importance to "foresee" the deterrents of crowdfunding to be able to timely secure their own risks and/or to motivate other members of community to yet participate.

The literature analysis proved that risk types and motivations are both important factors in the process of investor's decision making (Hermer, 2011). The extent of the investor's motivation drivers and attitude towards risks types affect the investor's intentions to invest in crowdfunding (Markowitz, 2013). Motivational types drive investors to invest in such method of investing as crowdfunding by creating special attitude towards this instrument of investments by the combination of intrinsic and extrinsic motivation types. The investor's attitude is influenced by different motivation types such as the sense of community (Lin et al., 2014); immediate/delayed payoff (Zvilichovsky et al., 2015); relations formation (Wang&Xue, 2019) and enjoyment (Huili et al. 2016). From reviewing previous studies, we noted that no research study had investigated independent risk types affecting the trust in other actors (entrepreneurs and platforms). The link between risk types and trust in other actors influences the investor's intention to invest in crowdfunding. From the investor's perspective, such risks types as fraud (De La Vina, 2018), market and project failure (Agrawal et al., 2017), financial risk (Cabral, 2012) and entrepreneurial incompetence (Koetsier, 2012) affect the trust to other actors which negatively affects the intention to crowdfund.

Theory of planned behavior was used in the research. According to Shneor&Munim (2019) the TPB adds to the understanding of crowdfunding investor's behavior as a planned behavior.

The authors prove that investors are not willing to engage in contributing to crowdfunding campaigns without at least some preliminary consideration. The research of Daskalakis & Wei (2017); Kang et al (2016) and Zhao et al (2017) explains that variables influencing investors, among others, include risks, motivations, attitudes and trust. Based on these robust findings indicating the applicability of the TPB framework for explaining user behavior in various digitally mediated marketplaces and networking sites, we introduce the TPB into the context of contributor behavior in the crowdfunding context in general.

This research uses such variables as trust and attitude to prove effect of risks and motivations to the intention to crowdfund. The theory of Planned Behavior confirms that the intention can be influenced by such variables. Thus, the research is focused on the relations between behavioral variables and the intention to invest crowdfunding (Ahlers et. al, 2014).

So, to improve the effectiveness of crowdfunding as a method of investments, the awareness of investor's risks and motivations turns out to be crucial, as well as the communication about these motivations and risks. At the moment there are turns of studies that show risks and motivation, but we cannot find the connection between these factors and the intention. This work is focused on the investor's side revealing two types of crowdfunding – donation-based and reward-based and two main groups of the investors – experienced and non-experienced investors. The research describes the groups of investors and the crowdfunding types and examines the relationship of intentions in scope of motivation and risk types using mediating variables (Assenova, 2016; Bagheri, 2014; Bouncken, 2015).

We can conclude that there is a lack of research which investigate motivation and risk types and their relationships with intention to invest in crowdfunding. There is no direct link between motivation and risk factors and their influence on the intention. That's why we used mediating variables attitude and trust to measure the relations among motivation factors and risks. The model of the research contains two mediating, eight independent and one dependent variables. In order to test this research model with its all hypothesis, the quantitative research method was chosen. This type of research is an explanatory research type. The data collection technique used in this study was a survey method, by distributing a research instrument in the form of a questionnaire to respondents.

My master's thesis is to focus on the motivation drivers and risk deterrents of crowdfunding from an investor's perspective. The paper intends to describe the main peculiarities of crowdfunding, different types of this investing instruments and different types of the investors. Focusing on way how people invest in crowdfunding, what features of such investing type attract/repel them we choose the main factors which considered to be motivations and risks while investing. The methodological part includes model of the research with an eight independent

motivation and risk factors, research method, sampling and the questionnaire. In addition, the analytical part distinguishes different investor's and the crowdfunding types to identify the main risk and motivation factors which influence the intention to invest for all types of respondents participating in the survey. Thus, the research **object** understood like *the intention to invest into crowdfunding* implies that the **subject** of the thesis is *types of motivation* (what motivates investors to invest in crowdfunding) *and types of risks which investors face* (why they are not afraid of risks while investing); *two types of crowdfunding* (donation- and reward-based) and *two types of the investors* (experienced and non-experienced ones) which were chosen as the target audience of the survey. So, the aim and objectives of my thesis are as follows:

Aim:

To figure out the relations between risk and motivations factors and the intention to invest in crowdfunding among different type of investors.

Objectives:

1. To analyze the crowdfunding as the phenomenon, to classify it against relevant factors.
2. To identify the main types of motivations that impact on the intention to invest in crowdfunding.
3. To identify the main risks and their impact on the intention to invest in crowdfunding.
4. To analyze the relations between risk/motivation types and the intention.
5. To identify the behavioral variables which can mediate risk and motivation types and the intention.
6. To highlight the exact motivation and risk types that can influence the investor's intention.
7. To find the most appropriate way for the data collection; to create reliable questionnaire.
8. To figure out what types: risk or motivation influence the intention more.
9. To find out the main differences in motivation and risk factors influencing the intention among different crowdfunding participants.
10. To compare results of the hypothesis evaluation among 4 groups of the respondents (experienced donation-based investors; non-experienced donation-based investors; experienced reward-based investors; non-experienced reward-based investors).

1. THEORETICAL ANALYSIS OF RISKS AND MOTIVATIONS TO INVEST IN CROWDFUNDING

1.1 Theories and models preceding the research

The theoretical background of the research model was done by Ajzen (1991) in the Theory of Planned Behavior (TPB) and the Technology Acceptance Model (TAM) (Davis, 1989).

The technology acceptance model (TAM) has been identified as a useful model for identifying acceptance behaviors for technology and information-based systems. According to Davis (1989), the TAM uses the theory of reasoned action (TRA), which was introduced by Fishbein and Ajzen (1975), as its theoretical basis. The TAM is considered to be an approach that establishes the determinants of information systems' and information technology's acceptance, which can later predict the intentions to use and the acceptance of information systems and information technology by individuals (Chen et al., 2011). The TAM incorporates two relevant belief variables that represent the primary drivers of technology users' acceptance of new information technology, namely, perceived usefulness (PU) and perceived ease of use (PEOU). PU reflects the extent to which a person would believe that by using a particular system, it could enhance his/her job performance. Meanwhile, PEOU refers to the degree to which a person believes. System would be free from effort (Davis, 1989). PEOU has both an immediate effect and an indirect effect on adoption intentions via PU; therefore, this construct has effects on both PU and attitudes (Davis, 1993; Venkatesh and Davis, 2000). The TAM is known as an intention-based model predictor because it states that the intention to adopt a technology is a good predictor of its actual usage through PEOU and PU. Many researchers have conducted empirical studies to examine the explanatory power of the TAM, producing relatively consistent results on the acceptance behavior of information technology's end-users (Horton et al., 2001).

The study done by Thaker et al. (2016) aimed to investigate the behavioral intentions of micro-enterprises to use an integrated cash micro-enterprise investment model as a source of financing in Malaysia. Using the TAM, the study found that both attitudes and subjective norms had a positive impact on the intentions of microentrepreneurs to use the model in the context of Malaysia. Similarly to Thaker et al. (2016), Sakti et al. (2016) also performed a study in the same field to identify the determinants that led to donations toward the investments contribution. The findings revealed that the main determinants that led to such contributions were mainly driven by attitudes and social influences.

According to Shneor&Munim (2019) the TPB adds to the understanding of crowdfunding investor's behavior as a planned behavior. The authors prove that investors are not willing to

engage in contributing to crowdfunding campaigns without at least some preliminary consideration. The research of Daskalakis & Wei (2017); Kang et al (2016) and Zhao et al (2017) explains that variables influencing investors, among others, include risks, motivations, attitudes and trust.

Adopting the framework of the TPB helps in understanding the intentionality in the context of crowdfunding contribution behavior. At its core, the TPB suggests that the likelihood of an individual performing a particular behavior is affected by that individual's intention to engage in such behavior (Ajzen, 1991). According to Ajzen, intentions capture the motivational factors influencing a behavior, indicating how hard one is willing to try and how much effort one plans to exert in order to perform a behavior. While later meta-analyses have confirmed the important link between intentions and behaviors has been confirmed in later meta-analyses (Armitage&Conner, 2001; Sheeran, 2002), intentions can only find expression in behavior if a person is free to decide whether or not to perform the behavior (Ajzen, 1991). The TPB further suggests that intention to engage in a behavior is affected by several subjective positions: one's attitude towards the behavior, perceived behavioral control (PBC), and perception of subjective norms (SUBN) (Ajzen, 1991).

The TPB has been widely used to examine the adoption of other Internet-based services and Internet-mediated marketplaces by prospective users in many contexts: participation in online communities (Flavián & Guinalú, 2010), acceptance of e-services (Hsu&Chiu, 2004), adoption of e-commerce (Nasco&Mykytyn, 2011), adoption of e-banking (Shih&Fang, 2004), Internet purchasing (George, 2004), online shopping (Hsu et al., 2006), online trading (Gopi &Ramayah, 2007), online social networking (Baker&White, 2010), spreading of e-WoM (Ju &Hsu, 2015), co-creating in social media (Cheung &To, 2016), playing online games (Lee, 2009), and watching in-app mobile advertisements (Cheung & To, 2017).

Based on these robust findings indicating the applicability of the TPB framework for explaining user behavior in various digitally mediated marketplaces and networking sites, we introduce the TPB into the context of contributor behavior in the crowdfunding context in general.

This research puts an aim to focus on such variables as trust and attitude to prove effect of risks and motivations to the intention to crowdfund. The theory of Planned Behavior confirms that the intention can be influenced by such variables. Thus, the research is focused on the relations between behavioral variables and the intention to invest crowdfunding.

1.2 The phenomenon of Crowdfunding

Small and medium size entrepreneurs or even individual entrepreneurs face the problem of the lack of financial instruments for their businesses (Bradford, 2012; Kortum & Lerner, 2000). Due to this fact crowdfunding as a method of funding appeared while searching for the new opportunities of start-ups developing. Crowdfunding allows to provide funding for the project, without resorting to outside investors, venture capitals and financial and credit institutions (Profatilov et al., 2015).

There are several definitions of crowdfunding which describe it from different sides:

1. “Crowdfunding is the use of small amounts of capital from a large number of individuals to finance a new business venture. Crowdfunding makes use of the easy accessibility of vast networks of people through social media and crowdfunding websites to bring investors and entrepreneurs together, with the potential to increase entrepreneurship by expanding the pool of investors beyond the traditional circle of owners, relatives and venture capitalists”.	Gómez-Diago, 2015
2. “The practice of funding a project or venture by raising money from a large number of people who each contribute a relatively small amount, typically via the internet”.	Oxford Lexico
3. “Crowdfunding changes sharply how capital is allocated and represents a viable alternative in channeling outside capital to entrepreneurial ventures”.	Bellefamme et al., 2012
4. “Crowdfunding is an umbrella term used to describe an increasingly widespread form of fundraising whereby groups of people pool money, typically (very) small individual contributions, to support a particular goal”.	Ahlers et al., 2015
5. “Crowdfunding is a source of raising money for start-ups and other companies through the investments of different people”.	Bagheri et al., 2019

Table 1. The definitions of crowdfunding

Source: created by author

Although the definitions choose different focus to generalize about crowdfunding, they all distinguish the following features of crowdfunding: subjects/actors (individuals/investors, entrepreneurs/start-ups and other companies, social media and crowdfunding websites), location

or channel (the internet), and destination or goal (to bring investors and entrepreneurs together, to fund a project or venture by raising money). Most of the definitions employ an entrepreneurial perspective to crowdfunding pointing to the start-ups as only beneficiaries of fundraising and missing the fact that all the parties involved into a crowdfunding project are risking in attempt to get some profit.

All the members of crowdfunding have their own roles and methods of interaction with investors. That is why later in this work we will refer to *start-up owners as “creators”, platforms as “mediators”*.

As a conclusion the most appropriate way is to view crowdfunding as a financial instrument that works by means of collective cooperation of people who voluntarily unite their resources on a crowdfunding-platform in an effort to support other people's or organizations' projects (Poetz and Schreier, 2012). But unlike other financial instruments, crowdfunding has a number of differences that attract small and medium entrepreneurs.

First of all, platforms are easy to use and actors have free access to all needed information concerning the Internet-mediated part of interaction. Another factor that each actor of crowdfunding enjoys nowadays is lower communication and search costs online, which results in better effectiveness of matching creators with investors (Demiray et al., 2017). At the same time, risks exposure for investors is reduced because funding in small increments is economically feasible (Agrawal et al., 2014). So, while individuals/investors, who have never thought of becoming investors before, get an opportunity to easily do it with very low risks, the creators have a chance to gain significant investments to continue their projects, and mediators, in their turn, reach their financial goals via special commission from creators and advertising.

It is exactly the method of investing and the type of dividends that distinguish crowdfunding from traditional investment. Those entrepreneurs who opt for regular investments may avoid raising money with crowdfunding due to their own principles (fear of revealing the idea of a startup, confidence that their own investments and efforts will be enough etc.) (Bouncken et al., 2015). And yet, with crowdfunding not always filling the funding gap, certain types of entrepreneurs are more likely to benefit from it.

Given the high risks and interest rates of bank's loans, the exactingness of private investors and the complicated process of publicly issuing shares of a company, crowdfunding has advantages and can be a fast solution to problems (Lam et al., 2016). By providing the financial resources for entrepreneurs, crowdfunding contributes to job creation and the development of innovation and economy of countries (Valančienė&Jegelevičiūtė, 2013). Another important point that could not be missed is that crowdfunding harnesses the influential power of the Internet, particularly through social media as a special tool, platform of communication and marketing

channel (Younkin&Kashkooli, 2016). Creative people and entrepreneurs have opportunity to improve their businesses within this instrument and test the potential of product or service they are proposing (Pichler&Tezza, 2016). According to Assenova et al. (2016), something that crowdfunding offers, and which is lacking from traditional funding, is that it creates multiple layers of return, thus creating a community. In other words, crowdfunding investors are getting more than just a financial return on their investments.

The main difference between crowdfunding and traditional investment methods is a fundamentally different digitalized form of process implementation and an integration of investors who have different goals and views on the same project. The new way how to improve investor's potential does not include different stages of acceptance, bureaucracy and much time to start the process. All investor's effort is to choose the platform and crowdfunding type which are quite different in outcome.

1.3 The classification of crowdfunding

Crowdfunding is emerged as a powerful, popular, and achievable means of funding projects worldwide. While using crowdfunding appeared some differences and peculiarities which turned into dividing crowdfunding to some groups depending on aims financial structure and members (Nevin et al., 2017; Rodriguez-Ricardo et al., 2018; Brem et al., 2019).

In their classification, Cumming and Hornuf (2018) name some types of crowdfunding basing on the reasons for the investors to participate in it. Two main types are: *professional* and *nonprofessional* crowdfunding. The former has the only aim to make profit, since professional investors do not participate in campaigns which do not seemed to be profitable. The latter puts the main goal to help the project and continue it to be developed; in this case investors can be the friends or relatives; people can spend some money as a form of charity or support the entrepreneurial initiative.

Another classification mentioned by Bagheri (2017) distinguishes between *reward-based* crowdfunding, as well as between *crowdlending* and *crowdinvesting*. When it comes to reward-based crowdfunding, the investors are promised to get a product in return to their donation. While participating in crowdinvesting, investors provided external finance for firms, and are attracted with some guarantee of their investment security.

Crowdlending, in its turn, guarantees the investors return of their investment/loan at a fixed interest rate (Estrin et.al., 2017). In this model, funders supply funds for an agreed period with the expectation of receiving their funds back. Such model is not so complicated, the sums which creators undertake to return are known from the beginning and platforms regulate relations

between investors and creators (Danmayr, 2014). The lending-based model differs from other crowdfunding models in that only money is exchanged. The process for this model is relatively simple, but funders do risk losing their principal investment in cases where borrowers are unable to repay them (Bradford, 2012). In the situations of losing money platforms are used as a mediator but in many cases contracts which were signed make the situation simple (Rossi-Lamastra, 2015).

While reward-based crowdfunding is defined as the monetary compensations offered to motivate investors to invest in crowdfunding projects, contributors donate money to *charity crowdfunding or donation-based crowdfunding*. In donation-based crowdfunding, investors do not receive any reward from their contribution, being satisfied with a so called “warm-glow” effect (emotional reward of giving to others) having no anticipations of monetary rewards (Ahlers et al., 2015; Belleflamme et al., 2014). The drivers for charity crowdfunding are not so clear because researches of Aaker&Akutsu (2009) and Gleasure (2015) proved that this method of funding can be considered as the financial instrument. In that case it is really complicated to imagine investor as a *maecenas*. Focusing on charity crowdfunding, Paschen (2017) grouped funders into two groups regarding to their financial expectations including ‘pure donors’ who financially support crowdfunding projects with no monetary or nonmonetary returns and those who do not receive monetary rewards but receive nontangible rewards such as recognition. To accommodate the distinctive nature of charity-based crowdfunding platforms it is worth to said that the research of Gleasure&Feller (2016) showed that such investors do not have financial goals and funding sums are not big. Non-financial goals in their turn can be the most significant reason. Charity investors are financially stable (many of them have enough money and are not working) and seek other forms of recognition besides financial (Bagheri et al., 2019).

Another interesting crowdfunding classification is *debt-based crowdfunding*, whereby a person or company loans money from a large number of people, undertaking to reimburse the amount within specific time intervals, along with other financial benefits (Block et al., 2018). This method primarily focuses on refinancing loans or paying off debts generated by the use of credit cards (Dikaputra et al., 2019). It is very similar to bank loans but including complete digitalization of the process. These can take the following forms: *peer-to-peer lending*, a type that is very similar to traditional loans. In this type of crowdfunding, a company loans financial resources from contributors, which the company will repay along with a specific interest rate (Dai and Zhan, 2019). This method is rather complicated and is not so popular among the creators by the way it is more attractive than bank loans. *Debt-securities crowdfunding*, via which natural persons invest in a debt security issued by the company, such as a bond (Dospinescu et al., 2019). The most similar to the traditional stock market the main difference of such method is that the process is

private while on a stock market many companies have public offering of debts (Jaziri and Miralam, 2019).

The next model classification is equity crowdfunding. *Equity-based crowdfunding* is a model whereby funders expect a financial return on their investment. It is also referred as a profit-sharing model. In this model, entrepreneurs urge people to invest money in order to receive a share of the venture's future earnings (Belleflamme et al., 2013). Other instruments as stocks investments include such classifications of stocks as futures which is completely similar to the way of financial return in equity-based crowdfunding. In the USA, for instance, laws for equity-based crowdfunding are being developed (Saryazdi et al., 2018). The equity-based model appears to raise greater amounts of capital than the reward-based model, despite most platforms being largely concerned with the reward-based model (Hossain&Oparaocha, 2017).

Equity crowdfunding divides investors to a special classification which includes active or passive investors. Passive investors are solely interested in receiving profit without any contribution to the project. Active ones always show their interest in project developing via meeting's contribution and supporting creators with all their initiatives. (Schwienbacher&Larralde, 2010). Equity crowdfunding investors can be compared to traditional angel investors since they usually contribute with support and knowledge during the development process of a venture (Wilson&Testoni, 2014). These similarities show that equity crowdfunding is the most common to traditional funding methods including all the advantages of crowdfunding (Pearson et al., 2016). According to a survey made by The UK Alternative Finance Industry Report (Collins&Zhang, 2015), entrepreneurs found that investors within equity crowdfunding added value beyond their financial contributions by providing valuable connections to people in their contact networks, but also valuable feedback and validation of the ventures business ideas. Furthermore, the entrepreneurs can benefit from their investors becoming customers, brand ambassadors, provide early advertisement of the venture and give information on the potential market demand and product preferences (Wilson&Testoni, 2014). Additional value for the investors from this type of interaction is awareness and other types of non-financial benefits, apart from potential financial returns, they are willing to accept higher risks and lower return on their investments, compared to traditional investors who generally seek profit-maximization (Collins & Pierrakis, 2012).

In the table shortly presented the main aspects of each crowdfunding form including the investor's role:

Type	Donation-based crowdfunding	Reward-based crowdfunding	Equity-based crowdfunding	Lending-based crowdfunding
Type of contribution	Donation	Pre-order	Investment	Loan
Expected return of funder benefits	Intangible benefits	Tangible and intangible	Return on investment	Return on investment
Main focus	Journalism/worthy cause/philanthropy	Products for early adopters/gifts	Start-ups	Short-term borrower
Complexity of process	Very low	Low	High	Medium
Example primary beneficiaries	Project owner(s), musicians, non-profit entities	Start-ups, funders	Start-ups	Individuals, business entities
Type of contract	A contract without existential reward	Purchase contract	Shareholding contract	Lending contract

Table 2. The typology of crowdfunding

Source: Hossain and Oparaocha, 2017

Existing studies indicate that investors participate for very different reasons and that these reasons also vary across the different types of crowdfunding (Agrawal et al., 2011). Thus, unlike donation- and reward-based crowdfunding, crowdlending and crowdinvesting are more likely to attract more traditional investors, including *professional* ones. The factors which lead professional investors to invest in crowdfunding in these types can be defined as a possibility to earn financial returns, with or without secondary objectives, such as supporting entrepreneurial activities, networking, and portfolio diversification. *Non-professional* investors might choose any way of participation in crowdfunding – donation-, reward- or financial return-based – but for different reasons though. The motives that drive investors to opt for donation- and reward-based crowdfunding vary from pure altruism, warm glow, reciprocity, and desire for recognition to a wish to get a certain product or perk. Interestingly, but together with getting financial returns, the same motives (supporting entrepreneurial activities, fun to invest/participate, recognition, reciprocity) attract nonprofessional investors to participate in crowdlending and crowdinvesting (Cumming&Hornuf, 2018).

The role of investors is to “give life” to the whole project. It is not only their quantity that ensures a crowdfunding project, but also quality. Lin et al (2014) introduces a classification of investors based on their characteristics, naming 4 types:

- active investors;
- investors who follow the trends;
- altruistic investors;
- crowd investors.

Active investors are the ones who invest relying on their own thoughts about the project. They do not care how many other investors share their money with this creator or group of creators. The second group is *trend followers* who pay attention on the whole situation with this project and are trying to invest when they have some signals from other investors. *Altruistic investors* invest in crowdfunding projects for different reasons: they may like the product, or they may like the creators or even be close friends with the creator. Many different reasons can affect altruistic investors but the main one is that they do not aim to take profit from their investments. The last type – *crowd investors* – do not have any special attitude towards crowdfunding and their model of investments behavior does not suit the ones of the other three types (Lin et al., 2014).

One more type of investors with a peculiar model of behavior was introduced by Zvilichovsky et al. 2015). These investors, called *peers*, are creators at the same time but they prefer to invest in other creators’ crowdfunding projects before their own campaigns begin. By doing so, many of them are trying to collect some initial capital.

There is no evidence that any of the investors’ types donates more or less into crowdfunding (Bradford, 2012). All types of investors are equally important for creators and mediators and their strategies to attract more investors should simultaneously consider behavioral peculiarities of them all.

Treating crowdfunding as a process of social interaction makes a new focus in crowdfunding research, the one on motivations and possible risks which are to be taken into consideration by crowdfunding creators when stimulating the investors to cooperate. This presupposes a closer look into the characteristics of investors, their possible motives to crowdfund, and biases against it.

1.4 Crowdfunding investors: classification and peculiarities of the participation process

The assumption we are coming from is that the process of investor’s interaction between other actors can take different forms/formats and looks differently from investor’s perspective. For instance, creators and investors can hold online meetings and discuss all the terms via social media,

e-mails or even by phone and can take place any time throughout the project, while communication between creators and mediators happens on the stage of creating a crowdfunding campaign.

The biggest interest is to describe the funding process from the investor's perspective in a detailed way.

A very simple view on the crowdfunding process reveals 4 stages (Hui et al., 2014):

1. First creators prepare a project profile, which typically includes a title, video, description of planned use of funds, funding goal, campaign duration, and reward descriptions. Creators fill out these suggested and needed fields on-line, and if the project is approved by mediator, the preformatted page is presented to *investors*.
2. Next, creators check their campaign material. During this stage, creators solicit feedback from *investors* (and potential investors) on their video and campaign description.
3. Third, a live campaign is launched. Like in any commercial enterprise, creators and mediators use a range of means to attract potential *investors*, using email, on-line social media, as well as offline communication technologies and in-person requests.
4. Once the campaign is over, creators manufacture and deliver secure rewards. Rewards vary from having *investor's* name acknowledged within the motion-picture show credits to obtaining the new crowdfunded product, to receiving an easy "thank you" email from the creators.

Evidently, the role each crowdfunding actor plays in relation to another one in the process of securing a project's success is different and varies throughout the whole campaign. Withing a crowdfunding project initiation, creators make the "topic" for further interaction where investors have an opportunity to reach their financial goals. (An, et. al., 2014). Mediators, in their turn, provide the "context" – they regulate cooperation between investors and creators, offering them special tools and methods to avoid risks. There are two special methods of investing offered by mediators that set up two different communication scenarios:

- 1) **all or nothing** – includes returning of all investments if the creators do not fulfill their conditions; it looks tough enough about creators but it may crate different motivation for the creators; this method is used by the largest crowdfunding platform Kickstarter (Buysere, et. al., 2012; Cumming&Hornuf, 2018; Mollick, 2014). From the investor's perspective such method guarantees financial security and decreases chances to make a mistake.
- 2) **all and more** – helps the creators not to be under the pressure of obligatory terms and presupposes that creators save all the money even if the aims were not reached; if the aim is achieved, the platform obliges the creators to pay a special fee to the

crowdfunding platform as a tax for service of platform; the platform has special commission for the investors not to lose their investments; is successfully used by the second popular platform RocketHub (Buysere, et. al., 2012; Cumming&Hornuf, 2018; Mollick, 2014). From the investor's side this method is riskier because the terms of cooperation with mediators have some additional outcomes that makes the process of money returning more complicated (Mollick, 2014).

Now, after we have given a general overview of the roles of different crowdfunding actors, our focus shifts to the investor's role.

Investors' role is to provide financial contributions for a crowdfunding campaign in return for a promised reward and in accordance with the terms of cooperation with creators and mediators. Their cooperation starts with getting acquainted with all the features, opportunities, risks and wishes of the creators. During the crowdfunding process, investors decide whether projects match their preferences about campaign terms and possible risks. They also may consider an opportunity to act as co-creators of the supported campaigns (Mollick, 2014). Later investors move on with the campaign, asking creators campaign-related questions on the crowdfunding platform or writing comments regarding campaign updates so as to assist the creators in improving their products/services (Steigenberger, 2017). With the embedding of social media, investors can simply unfold campaign information and create their favorite campaigns through their online social networking as social media exposure is absolutely related to campaign success (Gerber et al., 2012). Indeed, analysis made by Shneor and Munim (2019) has shown that each information-sharing intention results in actual investments contribution behavior. When the campaign is over, investors are pure beneficiaries who do nothing but expect their well-deserved rewards: in the case they have chosen an "all-or-nothing" campaign, they receive their rewards if the campaign reached or exceeded the target, and they are refunded if the campaign fails; in the case of an "all and more" campaign, they receive their rewards, no matter the end result of a campaign (Zhao&Ryu, 2020).

The ability to choose a project to invest into gives investors more room for maneuver. However, among other crowdfunding actors, they are the ones who take the highest risks, even though they are granted with a possibility to get profit.

With this quite detailed description of crowdfunding investor's roles/functions throughout the whole process of funding, we can move on with discovering the types of motivation which drives investors to fund (Lin et al., 2014). These activities – motivation boosting and risks diminishing, – though being complementary and coexisting, require two different analytical approaches and rely on different theories. Unfortunately, the theory of crowdfunding is still being created and has not yet developed substantial or anyhow sufficient theory of motivation or risks analysis tailored to crowdfunding itself. So, in two following subchapters we are covering the

theory of risks and the theory of motivation with an attempt to customize them to the investors into crowdfunding.

1.5 Motivation to crowdfund: investor's perspective

Now, when the role of investors within a crowdfunding process is identified, it is of big importance to understand their main drivers for participation. Of course, the most general view on the matter would show a common wish for investors to collect dividends and have profit from crowdfunding projects. A closer view, though, reveals a more complicated nature of motivation when it comes to crowdfunding, given that some investors do not have any financial goals. So, the answer to the question what motivation really is might give us a clue on how to approach the motivation of crowdfunding investors.

A very basic definition of motivation given by Baumeister (2016) sees its roots and origins in wanting some change. The author says: “We *want a change* in behavior, thoughts, feelings, self-concept, environment, and relationships and it creates an *intention* which calls motivation” (Baumeister, 2016). The authors of Self-determination theory, R. Ryan and E. Deci, approach human motivation as a certain *level of stimulated motives* that influence individuals' behavior. They come from the assumption that it is people's *inherent growth tendencies* and *innate psychological needs* that make the foundation for motivation. Among such needs, which facilitate constructive social development and personal well-being, the scholars name: the needs for *competence, relatedness, and autonomy*. They argue that in a *specific environment* these needs mobilize an individual's “biological, cognitive and social” *capacities* to perform the desired behavior (Ryan, 2000). Bagheri et. al. further specifies that motivation “not only affects individuals' selection, decision and intention to perform a specific behavior, but also generates the energy, efforts, and perseverance *in the process* of fulfilling the behavior” (Bagheri et. al., 2019: 220).

The **Self-Determination Theory** proved that drivers of motivation can be divided into two large groups: *intrinsic and extrinsic* motivations (Deci & Ryan, 1985). Intrinsic motivation in its turn is such a type which suits private desires and interests and the main characteristic of this group is that drivers are created internally (Pearson et al., 2016). Another group is extrinsic, when the drivers come out of external values. Investors of extrinsic motivation type are trying to achieve additional value or profit which is not always matches his internal goals (Hermer, 2011). Furthermore, there are many cases of both intrinsic and extrinsic motivations.

Another way how to approach investor's motivation in crowdfunding is **Social-Exchange Theory** which highlights individuals' expectations and the peculiarities of behavior as the motives

that drive investor's social behavior and interactions (Füller, 2010). Based on the theory, investors participate in funding process due to their expectations regarding outcomes and rewards in both forms of tangible results such as money or product and intangible results as friendship and social capital growth (Füller, 2010; Zhao et al., 2017). This theory is very close to the self-determination one in motives description however it excludes influence of internal to external drivers and vice versa as well as a combination of these drivers (Bagheri et al., 2019). Deci et al. (2017) mentioned that intrinsic and extrinsic motivations which are used in self-determination theory vary in the mechanisms to influence and regulate behavior. Social exchange theory in its turn considers intrinsic and extrinsic motivations as opposite and suggests that external rewards deteriorate the effects of intrinsic motives in guiding the choice and contribution to crowdfunding by creating a sense of external control in contributors and reducing their feelings of autonomy and satisfaction with their contributions (Antikainen&Vaataja, 2010).

To better understand the motivations for crowdfunding behavior, Zhang and Chen (2018) introduced the concepts of "self-oriented" and "other-oriented" investors in crowdfunding. The main aim of these frameworks was to analyze the behavior of investors in case of their social interactions commitment. The research of Zhang and Chen (2018) revealed that some investors are influenced by their communities as well as an encouraging social context.

The Self-Determination Theory has commonly been used as a template for research on motivation (Huynh&Ugander, 2015). The major research according to this theory are connected with equity crowdfunding.

Existing examples of intrinsic drivers can be the following:

Enjoyment – investment can help to get rid of boredom, to obtain a sensation of curiosity, pleasure and thrill can also be seen as enjoyment factors (Organisciak, 2008). Brabham (2008) had a research regarding investor's motivation and the results show that many investors find creativity and fun in the process. This was later confirmed to be an important motivational factor for general crowdfunding as well (Bretschneider et al., 2014). **Community** – being driven by community factors, the investor spends his incomes in a crowdfunding with a special aim of creating a better society and develop the progress (Wechsler, 2013). Strong emotional connection to the community is also found to affect the investor's level of membership. **Relationship** – Dapp and Laskawi (2014) conducted that family relations are the most popular form of investor's engagement on the early stages of funding. When a potential investor has a personal relationship with the entrepreneur, the chance of an investment being made is larger than without such relationship (Hermer, 2011). **Philanthropic** – not expecting anything in return for an investment, but rather the feeling of helping someone could itself be a motivation to invest. Hence philanthropic factors mean giving away something for someone else's benefit (Hermer, 2011).

Another important part is *extrinsic motivation* which has many differences but many investors are influenced by it. Extrinsic motivation has its origin from the surroundings, meaning that the investor has been externally influenced towards a goal (Deci & Ryan, 1985).

The first driver is **immediate payoff** – it is the most understandable and stable motive of crowdfunding in comparison with traditional investments methods. The main significance of this driver is that investors have payments just after the project earned the first income (Gerber, et al., 2012). **Delayed payoff.** According to Kaufmann et al. (2011), delayed payoffs may refer to anything gained throughout the process that can have future value for the investor. It is very comparable to the futures (instrument of the stock market when you sign an agreement of receiving delayed profit). Kaufmann et al. (2011) added **social motivation** in crowdsourcing as a subcategory that is expressional towards the investor's environment. They argue that in order to fit into a certain social group, the investor may follow specific social norms and fulfill obligations expected by other individuals in a social group. The most interesting motivational driver is **personal need**. In the research which was done by the y Bretschneider et al. (2014) was identified that the process of product developing and entering the market can be motivation itself, as it may fulfill and individual's personal need. Meaning, if the need for a certain product is high, it will increase the investor's motivation to invest in the venture (Harms, 2007; Huynh & Ugander, 2015).

Combining the main points of the motivation theories, we can highlight a conclusion about the investor behavior during the process of funding. The table below offers two types of investors (self- and other-oriented) and types of motivation (extrinsic and intrinsic):

	Intrinsic	Extrinsic
Self-oriented	Interest Enjoyment	Reward
Other-oriented	Philanthropic	Relationship and Recognition

Table 3. The characteristics of motives

Source: Ryu and Kim, 2016

One of rather big motivations for investors is that they want to be a part of crowdfunding community (in close interaction with creators), and to gather such external rewards as acknowledgment and expertise. An investor puts forth funds before product creation, trusting that the creator can deliver on his or her promise. Even supposing that investors might delay gratification, they are ready to make their contributions bigger to urge a desired reward. The conclusion some scholars make while studying this sort of investors' behavior is that, besides price/cost, the product, service, or experience that investors are willing to get has value (Gerber and Hui, 2014). Investors tend to invest more in order to enable creators to add to the initial idea of product some specific features. By doing so they become cocreators and share success.

The interest in receiving an award in exchange for giving their resources, makes investors' experience similar to the one of clients. However, the fact that they are willing to pay before the reward is actually created and wait for weeks or months shows that financial reward is not their only goal (Xu et al., 2015). While some investors are aimed primarily at “*gathering*”, others show more enthusiasm in “*giving*.” This behavior resembles philanthropic behavior. Investors with their “power” want not only to assist creators with investments, but also create affiliation with them (Bagheri et al., 2019). Yet, the affiliation to the creator isn't invariably personal. The fans contributed time, effort, and cash to assist the creator. Numerous cases like this one prove the fact that investors have special interest in crowdfunding. While on traditional investment markets many investors do not have so much enthusiasm to go “deeper” into a creator's problems (because money still talks), in the crowdfunding process the situation is reversed (Hossain&Oparaocha, 2019).

The motive to help others, be it their relatives, friends or strangers, is, in its turn, supported by another motivation – to be part of a group, to unite with kindred mind. This inclination to create community presupposes specific atmosphere inside – cooperation based on trust. Trust between investors and creators, as well as among creators' community, being a common basis for financial transactions (Gefen, 2000), is provided by mediators. Many investors participate in the crowdfunding process because they want to be part of the creative community and have the opportunity to help with money and resources to creative start-ups (Aaker&Akutsu, 2009).

So, regarding the research on investors' motivation, we can conclude that investors have special creative approach to investments (Kraut&Resnick, 2011). Many of them are interested not only in collecting profit, they are trying to realize their entrepreneurial potential, be a part of special community, participate in charity project and even support of scientific progress and development. We have to emphasize the fact that through their investments investors “enter” the project and become cocreators, making a community of like-minded people. It can be concluded that investors in the crowdfunding process are interested in developing people's creative potential and are ready to promote any innovative project in a variety of ways.

1.6 The main investor's risks and deterrents of participation in crowdfunding

Besides giving a great deal of motivation and encouragement, crowdfunding provides investors with great amount of risks which can interfere with the process. It is commonplace to treat risks in investments like: “A possibility for the investor not to earn profit from the investments and lose all the money which were funded to the project” (Hagedorn & Pinkwart, 2013). As far as our previous investigation over the motives and expectations of crowdfunding actors has shown the dominance of other-than-financial motivation, we can suggest that there are other-than-

financial deterrents and risks that affect potential investor's behavior (Guenther et al., 2014). Considering the fact that many of the investors are willing to become part of crowdfunding community, it seems of absolute importance to "foresee" the deterrents of crowdfunding to be able to timely secure their own risks and/or to motivate other members of community to yet participate (Kortleben & Vollmar, 2012).

Hughes (2014) considered that for the investors of crowdfunding 3 main risk types exist. They are *misrepresentation or fraud by the issuer; underperformance of the issuer's endeavor; and investor misunderstanding of the nature and risks of the investment*. It is of a big interest to have a closer look at each of presented types. From the investor's perspective it means that the main deterrents can be caused by actors not depending on the investor's behavior.

Federal securities laws of many countries where crowdfunding is widely spread seek to strike a balance between providing potential investors with all material information necessary to make well-informed investment decisions and prevent *fraudulent crowdfunding campaigns by issuers* (De La Vina, 2018). Because fraud seemingly indigenous to the securities industry, it is impossible to prevent individuals from committing securities fraud through an exemption to registration (Bradford, 2013). One of the main concerns regarding crowdfunding is the emergence of fraudulent campaigns on crowdfunded websites-campaigns whose aim is to take advantage of the investor (Stanberry, 2017). Therefore, it is necessary for the investor to determine which ventures are genuine and which are deceptive. But the main problem is the process of identification (Urien&Groshof, 2014). In safeguards terms of crowdfunding is included the idea that the help of crowdfunding community will support investors when they face fraud (Seidt et al., 2012). The main idea consists of the meaning that investor's community is able to search through and scrutinize each crowdfunding campaign listed on the varying websites, compile information and conduct due diligence on the startup and its issuer, and inform the rest of the crowd of possible fraudulent campaigns before any damage to an investor materializes (Hughes, 2014).

We found no support to this theory from big number of sources but we can consider that investor's community in Western Europe and The USA are well-structured and organized so it would be really hard for any kind of fraud creator to redevelop and restart the project to make illegal income (Elenoff, 2013).

The next risk is *underperformance of the issuer's endeavor*. From the investor's side the effects of this risk are not so damaged but the fact that creator cannot improve his project can demotivate investors in their intention to fund (Koetsier, 2012). Because presenting a crowdfunding campaign involves attracting investors to provide funds in exchange for products, profit, stocks or any other form of contribution between creators and investors, creators may be overly opportunistic with their statements or forecasts. This situation can seriously affect the

interaction between creators and investors which in its turn can stop the project development or even close (Krantz, 2012).

The effect of investor's setback can be different from taking away his stake of the company till just end of cooperation between creator and investor (Pepitone, 2012). Risks of investors are more rational comparing them to the creators in choosing the right project to invest (Bayus, 2013). The major problems will face investors of crowdfunding because for other types money plays additional role.

Another risk type offers the view on the crowdfunding *from the opposite side when investors have no enough qualification to participate in the process*. From the side of the creators it can cause additional problem due to the fact that they are always waiting for the feedback from competent and professional investors (Aveni et al., 2015). Positive position from the investor can bring confidence and motivation to the creator and provoke to make mistakes while launching the project. Unsophisticated investors further enhance the risk associated with the overestimation and projection of a crowdfunding campaign.

Such unsophisticated investors "are ideal targets for repeated crowdfunding frauds because they may not be able to discern legitimate offerings from scams or even recognize when they have been defrauded. Many scholars (Choi, 2014; Bradford, 2012; Lusardi&Mitchell, 2007; Krantz, 2012) suggests that additional support and offering of special instruments to simplify the process for unsophisticated investors is of a great importance.

The next classification of risks was done by Agrawal et al (2017), he divides risks into *project and market failures* which lead to many deterrents for the investor's side.

Early-stage projects and ventures are inherently risky. All types of *early projects face many risks and chances of failure*. Crowdfunding projects are not an exception. Many sources of potential failure exist above and beyond entrepreneurial incompetence and fraud (Cabral, 2012). Earlier in this subchapter these types of risks were mentioned but how they appear. Although investors are able to incorporate risk into their investment decisions, information asymmetry (the fact that creators have more information about risks than investors) may significantly increase the cost of these risks to investors (Waldfogel&Chen, 2006). The big difficulty lies in the fact that investors do not have an ability to control the process and be responsible for the project. This leads to the problems for funders described in the previous section (incompetence, fraud) (Catalini, 2017). For the investors is very important to analyze the creator's and project's potential not to risk so much because investors are the most influenced part of the crowdfunding campaign.

These problems can lead to *market failures*. Meaning, value transactions between entrepreneurs and investors (capital in exchange for equity or other types of rewards) are not completed or not fully completed due to the information problem (Agrawal et al., 2017). For

example, on a crowdfunding platform, it is particularly difficult for investors to assess the true ability of the creator or the underlying quality of the project or venture. Investors can decrease the value of ventures on the crowdfunding platform. (Markowitz, 2013).

Interesting projects will avoid raising funds on crowdfunding platforms as they cannot achieve an honest attitude from all participants in the process (Mollick, 2012). The platform, in turn, wants to attract all participants, since for it this is the only opportunity to earn or not to lose money. Furthermore, the imbalance between the two sides of the market is not limited and the information about entrepreneur's idea quality can be hidden from the investor (Pepitone, 2012). Finally, the market may fail due to a collective action problem (Agrawal et al., 2017). Since funding information is public and investment levels are low, which limits the potential benefits from investing, investors can simply wait of other investor's efforts to observe their funding decisions (Agrawal et al., 2017).

To the extent that all funders take this approach, the market fails as everyone waits and nobody invests. (Markowitz, 2013). This group of risks prove that investors have additional possibilities to influence the whole crowdfunding community but it appears only in case of misunderstanding or fraud of entrepreneurs.

MacLeod Heminway (2016) considers that the establishment of business operations between all the actors of crowdfunding involves, among other things, planning around projected profits and losses. All business operations are accompanied by the possibility of various types of losses. These losses include operating losses, investment losses, accounting losses, property losses, personnel losses, and liability losses. The risk that an actor (investor in our case) will be subject to legal actions raising claims relating to its operations represents a threat that actors and potential clients of a product find particularly salient, yet difficult to assess, qualitatively and quantitatively (Calihan et al., 2004).

The groups of risks in case of business operations between actors can be divided into *Fiduciary Duty Liability*, *Contract Law Liability* (Ribstein, 2011; Walsh&Johns, 2013).

Fiduciary Duty Liability – a type of risk which is connected with platforms. For example, to the extent fiduciary duties may arise out of a platform's relationships with those pursuing crowdfunding for their businesses or projects or (more likely) out of platform relationships with prospective or actual funders), platforms and their principals may be subject to legal action for a breach of those fiduciary duties. Intermediaries may have fiduciary duties under statutes or regulations governing their activities. However, the general law of agency (and perhaps in some cases the law of trusts) also may be the source for legally enforceable intermediary fiduciary duties.

The degree of risk can affect the further functioning of the project, as well as its financing and the impossibility of returning the invested funds, which can cause significant damage to investors.

Contract Law Liability. Perhaps most critically, crowdfunding platforms may be subject to breach of contract claims because of their unique role as distributional, information, and collectivizing intermediaries (Heminway, 2013). Important to this aspect of litigation risk is the fact that platforms are the fulcrum player in a two-sided market. (Nelleflamme&Lambert, 2014; Belleflamme et al., 2015; Haas et al., 2014; Viotto, 2015; Zvilichovsky et al., 2013) The relationship between a crowdfunding platform and the investors is governed by specific terms on which they agree before they engage in business with each other. These terms are often referred to as “Terms of Use” (TOUs), and they may constitute a valid, binding, and enforceable contract (Heminway, 2014; Misterovich, 2014; Moores, 2015; Pokrasso, 2015). In practical application, however, the alleged contractual counterparty may be able to assert defenses to the formation, binding nature, or enforceability of the TOUs as an asserted contract. Even so, absent barriers to legal action, both fundraisers and funders may sue the platform for a breach of the express and implied (e.g., in the case of implied warranties) terms of their arrangement, and the platform also can take legal action against either a fundraiser or a funder for a breach of those terms.

The group of risks which is connected with the process of crowdfunding influence the success of the whole campaign more deeply but what concerns additional risks which are not always influenced by actors.

1. Investors have less interest in due diligence on startups because the return on participation is rather uncertain. Many investors are young investors who are not always able to assess the potential of a project (Brabham, 2008). In addition, investors may not know for sure how the dividend payment method appears. Investors have risks associated with the impossibility of providing guarantees from the creators.

2. Legal subtleties can also pose a significant risk as the legislation does not oblige companies that are not listed on the stock exchange to disclose changes in business processes. Tracking the results of project activities becomes more and more difficult for maintainers, who relies on information provided by the creator (Mollick, 2014).

3. A fairly classic risk for any type of investment, when the share of one shareholder is diluted when new shares are issued. Provided that the existing shareholders do not purchase shares, their share may decrease significantly. Venture investors and business angels draw up investment agreements that include a clause on preventing dilution of shares. In crowdfunding, unlike traditional investment methods, there are no tools to prevent such risks (Feinberg, 2013).

4. The most basic difference between crowdfunding investments is that there is no secondary sale for shares from crowdfunding startups. The only possible form of earnings is dividends or the actual sale of the company. In traditional investments, investors have the opportunity to get their money back by selling shares (Son Turan, 2015).

5. Compromised intellectual property rights can be a problem in terms of keeping privacy within the project. Creators disclose their plans and innovations in a public forum (Jenick et al., 2017). This can cause a risk of imitation and unfair competition and have repercussions on intellectual property protection as illustrated by the following quote from the terms of use of one of the largest reward-based platforms: “When you launch a project, you grant to us, and others acting on our behalf, the worldwide, non-exclusive, perpetual, irrevocable, royalty-free, sub-licensable, transferable right to use, exercise, commercialize, and exploit the copyright, publicity, trademark, and database rights with respect to your content” (Kickstarter, 2021). From the investor’s point of view risks increase significantly and for some investor’s it is easier to leave the project or sold his share.

6. Many dangers occurs from the interaction with another actor – mediator. Different risks which are connected with technological issues like cyber-attacks, problems with servers and connections which can cause the loss of data. Additional consequents are international transactions which are influenced by wide range of fields including intellectual property law, tax law, and contractual law (Miller&Jenik, 2016).

7. Mis-selling and over-indebtedness. In many jurisdictions, platforms are not obligated to assess whether the fundraiser can afford the loan (Jenick et al., 2017). To the contrary, platforms have incentives to make loan application as easy as possible because they derive their income from origination fees, which are not contingent on successful repayment. In other words, platforms face a conflict of interest because their incentive is to focus on volume, rather than on the quality of loans (Manyika, 2013).

The crowdfunding market actively participates in promoting entrepreneurial activity and providing an opportunity for investments with the help of its instruments but the lack of enabling legal and regulatory framework keeps all the risks of crowdfunding stable. Policy makers need to find a way to regulate and prevent many risks which investors are facing. Platforms need to be the subject to an appropriate regulation which can protect both actors in terms of their privacy, funds security and defense in technical issues. In the absence of such a framework, crowdfunding may worsen consumer trust and start losing participants in the sphere it was born to renovate.

The intentions of the investors in crowdfunding directly affects the success of the idea developing and the profitability of the project for entrepreneurs. If the investor of the process is satisfied, the mediators, in turn, also get their commissions for the service provided without any

problems. Risks and motivations affect investor behavior to a large extent, crowdfunding platforms and people who may influence this method of investments in many countries should provide an opportunity to decrease possible risks for investors thereby increasing motivations. The most interesting conclusion which find the confirmation is non-financial motivation of investors and the most common driver for investors - participation in the crowdfunding community, a creative association whose goal is to try to make the world a better place without always deriving financial benefits from it. Crowdfunding was created as practical phenomenon, which is why the investor's intentions are of key importance.

1.7 Influence of attitude and trust on the intention to invest in crowdfunding

The previous chapters discussed in detail the types of risks and motivations for the investor when participating in crowdfunding. The question that will become a prerequisite for the study is how exactly and strongly risks and motivations affect the investor's intention towards this investment method. It is hard to imagine how the types of risks and motivations are directly related to and greatly influence the intention of investors to invest in crowdfunding, but we can say that motivations form a positive attitude towards the instrument, and risks form a certain degree (high or low) of trust in the actors of the process.

With the help of intrinsic and extrinsic motivation framework, a scope of research highlighted that a combination of such motivations – intrinsic and extrinsic motivations – forms positive attitude to crowdfunding. Bretschneider&Leimeister (2017) suggested the critical importance of extrinsic and social motivations for supporting crowdfunding through investment. Such motivational drivers as immediate and delayed payoff and personal enjoyment can be considered as the intrinsic motivational drivers. On the other hand, extrinsic motivation can be presented from the drivers as positive relationship and the sense of community (Dapp&Laskawi, 2014). Huili et al. (2016) explored two groups of motivations (internal and external) that regulate the sum that investors are willing to fund in the instrument of crowdfunding.

Personal and social motives (intrinsic and extrinsic motivations) are able to increase individuals' intention to participate in crowdfunding, as identified by Rodriguez-Ricardo et al. (2018) in a study on a general audience of potential investors in crowdfunding. Social identification with the crowdfunding community and private relations with the entrepreneurs have a positive effect on the intention to participate. Wang and Xue (2019) and Choy and Schlagwein (2016) also discuss motivation types and refer to social identity, a person's sense of "who they are," based on the social group to which they belong. Cox et al. (2017) discovered that among solely intrinsically motivated funders, those with a desire for community membership contribute

with greater monetary amounts to any given campaign compared with funders without such driver. Another aspect noticed by the researchers refers to the economic profitability of the project as a factor of extrinsic motivation reported to intrinsic motivation. Although rewards are an important incentive (Dikaputra et al., 2019), there is a wide variety of intrinsic incentives that determine individuals to get financially involved in supporting a project, such as peace of mind, altruism, reciprocity or benefits for the community via implementation of the projects (Yang et al., 2016; Necula&Strîmbei, 2019). Kuppuswamy and Bayus (2017) highlight the importance of prosocial behavior in the case of reward-based crowdfunding: the supporters of the projects wish to make a profit, while also contributing in entrepreneur's idea.

A wide variety of research focuses on risks, rather than motivations, as a factor that impacts the behavior of investors in crowdfunding. The investors who support crowdfunding campaigns are substantially influenced by nonstandard information (Saxton&Wang, 2014). Trust in other actors of crowdfunding can be also the factor that influence the intention to invest. Investor can also be influenced by the risk deterrents connected with platforms and entrepreneurs, such risk types as entrepreneur's incompetence and fraud are strongly connected with entrepreneurs. Market failures and overperforming of the platform can form additional risks for the investors. To gain the investors' trust, entrepreneurs have to provide accurate and complete information to potential investors from the very start. The level of trust indicates the extent to which investors believe the start-up has the capacity to succeed and to achieve the desired results. Although crowdfunding platforms provide various means to collect information about the project founder, such as the founder's previous experience, motivations and details about the project, this knowledge remains important in establishing trust and mutual commitment (Dejean, 2019).

Trust is considered to be a relational, social and capital characteristic, introduced into crowdfunding by (Zheng et al. 2014). It encouraged research by involving various aspects of relational social capital. Trust is a vital aspect of entrepreneurial finance (Mochkabadi&Volkman, 2020) and one of the significant impacts on the investor's intention in crowdfunding (Strohmaier et al., 2019). Crowdfunding platforms assume trust among investors when they are encouraged to support a project's creator. A study of a Chinese peer-to-peer platform applied the trust model to understand critical factors that affected investors' trust in investors (Chen et al., 2014). Chen et al. (2014) found that trust in the platform and trust in the entrepreneurs significantly impact the investor's intention. Trust has further been divided into calculus and relationship trust relating to crowdfunding process. The trust effect on the willingness of investors was measured by Kang et al. (2016) through using the following types of variables: (1) entrepreneur-related and (2) platform-related. Crowdfunding process entails high level of information asymmetry between entrepreneurs and potential investors (Ahlers et al. 2015). Thus,

trust plays a significant role for those who want to invest in a project presented on the platform. However, distrust can negatively impact potential investors (Lee et al. 2010). The level of trust or distrust is strongly connected with types of risks from the actors of the process (entrepreneurs and investors). Moreover, trust must be built through a high degree of communication, which is unlikely to happen in the internet community. The conventional trust model considers trust to be a developing progression (Wang et al. 2016). Trust typically occurs after a dependable relationship history slowly developed through people's communication of prior behaviour (Gefen 2000).

Though, trust is one of the significant elements affecting an investor's decision relating to online investment, few studies have examined the effect of trust on the project's success in the field of crowdfunding. A high degree of online trust in the internet community is more important than face-to-face trust (Grabner-Kräuter & Kaluscha 2003). In particular, in the context of trust is essential, not only because the crowdfunding occurs online but also because the majority of funders are not sophisticated investors (Belleflamme et al. 2014). Because most information on crowdfunding platforms is unsupported, the relationship between the entrepreneur and the crowd is hampered by asymmetries (Moritz et al. 2015).

The research of previous authors proves that different types of motivations and risks can form certain attitude to crowdfunding and trust to other actors of the process. The idea that attitude and trust affect the investor's intention and forms the basis for the given research. There are many researches which are connected with trust and attitude to many investment instruments in the interconnectedness but in my case these variables will be analyzed separately to measure which of these two variables have a bigger influence. Many authors (Rahadjeng & Fiandari, 2020; Moysidou & Spaeth, 2016; Wasiuzzaman et al., 2014; Kisaka, 2014) have already justified the impact of trust and attitude on the intention to invest used the model of their interconnection. In my case they are described separately with the same variables of motivation and risk types.

2. METHODOLOGY AND RESEARCH DESIGN FOR ASSESSING RELATIONSHIPS BETWEEN RISK AND MOTIVATION TYPES AND THE INTENTION TO INVEST IN CROWDFUNDING

2.1 Research model (Concept) and the hypotheses

From motivational frameworks proposed by previous studies, it was reviewed that two dominant motivation dimensions: intrinsic vs. extrinsic and self-oriented vs. other-oriented **influence motivational drivers** more than any other type of motivation. Studies have shown how and why both intrinsic and extrinsic motivation are activated, including such drivers as enjoyment (Organisciak, 2008), sense of community (Wechsler, 2013), relationship (Hermer, 2011) and immediate and delayed payoff (Gerber, et al., 2012). Next, depending on the type of orientation, investors are divided into two different types: self-oriented investors and other-oriented investors (Pearson et al., 2016). Self-oriented investors involve the uncomplicated link between themselves and an object (e.g., task, product), whereas other-oriented motivation is concerned with the actor's social and emotional relationships around the object (Zhao et al., 2017). In the context of open source software development, potential contributors may participate in certain projects, inspired by self-oriented (e.g., fun, learning, pay), or other-oriented (e.g., altruism, reciprocity) motivation, or both (von Krogh et al. 2012). Personal and social motives (intrinsic and extrinsic motivations) are able to increase individuals' participation in crowdfunding, as identified by Rodriguez-Ricardo et al. (2018) in a study on a general audience of potential investors in crowdfunding. Social identification with the crowdfunding community and private relations with the entrepreneurs have a positive effect on the participation.

Besides giving a great deal of motivation and encouragement, **crowdfunding provides investors with great amount of risks** which can interfere with the process. Of course, the most popular risks are the financial ones. But literature analysis over the motives crowdfunding investors has shown the dominance of other-than-financial motivation, we can suggest that there are other-than-financial risks that affect potential investor's behavior (Mollick, 2012). The most popular risk groups include such deterrent as fraud (Koetsier, 2012). Investor can also be influenced by the risk deterrents connected with platforms and entrepreneurs, such risk types as entrepreneur's incompetence and fraud are strongly connected with entrepreneurs (Zheng et al. 2014).

This research puts an aim **to focus on such variables as trust and attitude to prove effect of risks and motivations on the intention to crowdfund**. Theory of Planned Behavior confirms that the intention can be influenced by such variables (Ajzen, 1991). Thus, the

research is focused on the relations between behavioral variables and the intention to invest in crowdfunding. The literature analysis proved that risk types and motivations are both important factors in the process of investor's decision making (Hermer, 2011). The extent of the investor's motivation drivers and attitude towards risks types affect the investor's intentions to invest in crowdfunding (Markowitz, 2013). Motivational types drive investors to invest in such method of investing as crowdfunding by creating special attitude towards this instrument of investments by the combination of intrinsic and extrinsic motivation types. The investor's attitude is influenced by different motivation types such as the sense of community (Lin et al., 2014); relations (Wang&Xue, 2019); immediate and delayed payoff (Gerber, et al., 2012) and enjoyment (Huili et al. 2016). From reviewing previous studies, we noted that no research study had investigated independent risk types affecting the trust in other actors (entrepreneurs and platforms). The link between risk types and trust in other actors influences the investor's intention to invest in crowdfunding. Due to that we do not have relations between risk and motivation factors in our construct, they will be analyzed separately. From the investor's perspective, such risks types as fraud (De La Vina, 2018), financial risk (Cabral, 2012) and entrepreneurial incompetence (Koetsier, 2012) affect the trust to other actors which negatively affects the intention to crowdfund.

The intentions of the investors in crowdfunding directly affect the success of the idea developing and the profitability of the project for entrepreneurs. If the investor of the process is satisfied, the mediators, in turn, also get their commissions for the service provided without any problems. Risks and motivations affect investor behavior to a large extent, crowdfunding platforms and people who may influence this method of investments in many countries should provide an opportunity to decrease possible risks for investors thereby increasing motivations. The most interesting conclusion which find the confirmation is non-financial motivation of investors and the most common driver for investors - participation in the crowdfunding community, a creative association whose goal is to try to make the world a better place without always deriving financial benefits from it. Crowdfunding was created as a practical phenomenon, which is why the investor's intentions are of key importance.

As well as the motivation and risk factors classification we also **divide the crowdfunding's and investor's type**. Two types of the crowdfunding investors are willing to participate in the survey: donation- and reward-based. From the previous studies we conclude that the results of our research can differ among the respondents of two different types of crowdfunding. Thus, we are going to do the research among the respondents of two crowdfunding types. As well as the difference between crowdfunding platforms there is another differentiation in the experience of crowdfunding investors. The fact that the aim of research is focused on the

intention measurement we can add to the research non-experienced respondents. Later we can compare the results of two groups of crowdfunding participants – experienced and non-experienced ones in relations with crowdfunding platforms.

Research aim:

To check and evaluate the relationships between several motivation and risk factors and the intention to invest in crowdfunding through mediating variables of attitude and trust.

Research goals:

To prove the relationship between motivation and risk factors and the intention to invest in crowdfunding.

To check what is the difference in the results depending on the type of crowdfunding (donation- and reward-based) and type of investors (experienced and non-experienced).

To highlight the factors that influence the intention more.

What types of relations influence the investor's intentions to invest more: risk or motivation types. Which exact variables do influence the intention to a bigger extent. To compare the results of four respondents' groups (donation based crowdfunding experienced and non-experienced investors and the reward-based crowdfunding experienced and non-experienced investors). As a practical value we can consider that it will lead to better understanding of the problem and may help the investors to avoid deterrents and be more prepared to the process of investing through crowdfunding.

The model was designed to contain two mediating, eight independent and one dependent variables. We did not find the theoretical justification of the direct relations between risk/motivation variables and the intention. Attitude (Positive/Negative) and The Level of Trust (Low/High) are two mediating variables by which model's constructs are being manipulated. These mediating variables are used in order to explain the relations between motivation and risk types and the intention to invest in crowdfunding.

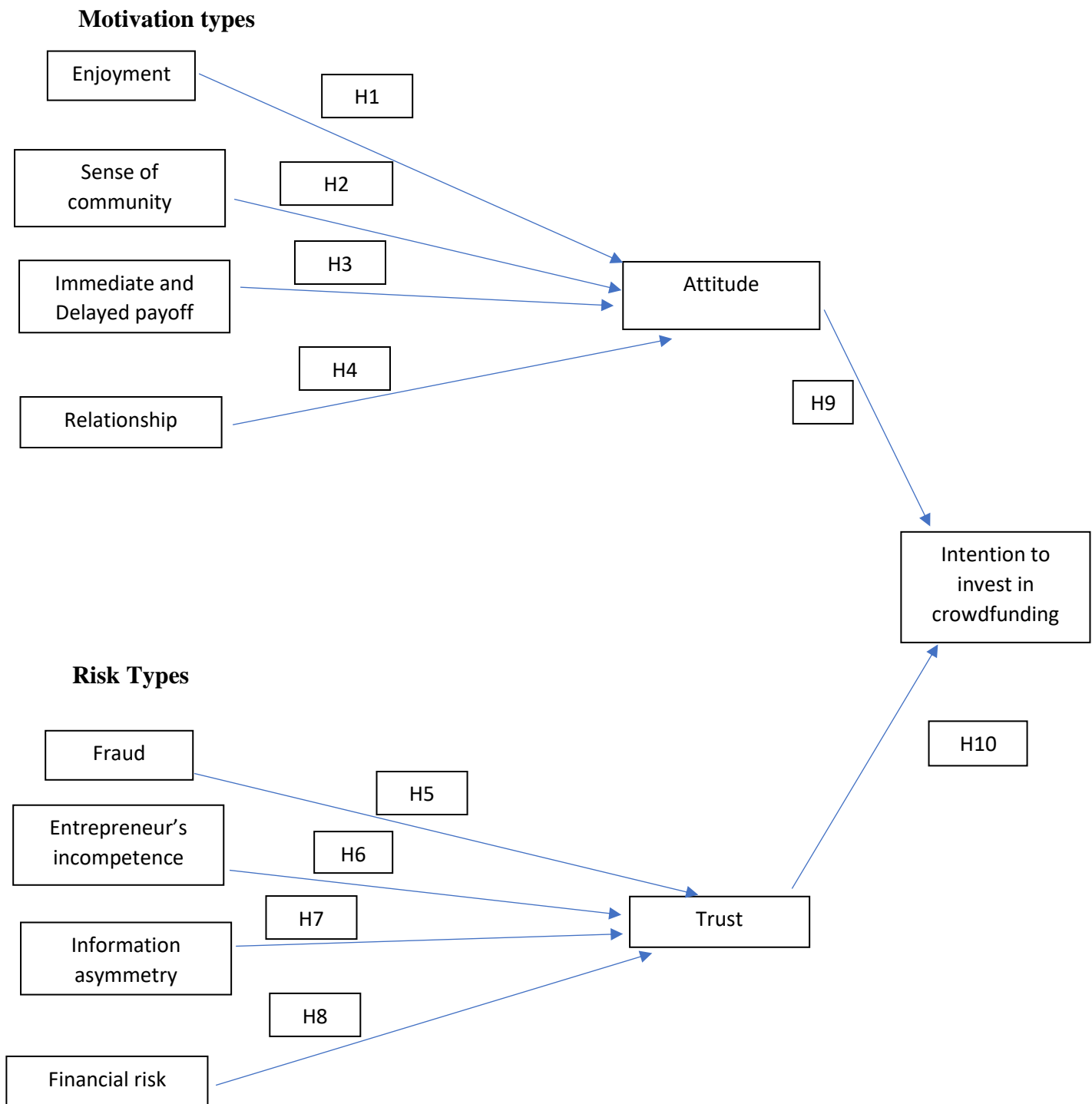


Figure 1. Research model (construct)

Source: created by author

The studies of Organisciak (2008) and Brabham (2008) showed that investment can help to get rid of boredom, to obtain a sensation of curiosity, pleasure and thrill can also be seen as **enjoyment** factors. In addition, many investors find creativity and fun in the process. Bretschneider et al., 2014 confirmed that enjoyment is an important motivational factor for crowdfunding as well and the emotions below form good attitude towards crowdfunding.

Hypothesis 1 (H1). *There is a positive relationship between the motivation type as the enjoyment of the process and the attitude to crowdfunding.*

Wechsler (2013) in his research concluded that investors spend their incomes in a crowdfunding with a special aim of creating a better society and develop the progress. Strong emotional connection to the **community** is also found to affect the investor's level of membership and positive characteristics of a process. Dapp and Laskawi (2014) conducted that family relations are the most popular form of investor's engagement on the early stages of funding.

Hypothesis 2 (H2). *There is a positive relationship between the motivation type as the sense of community among crowdfunding members and the attitude to crowdfunding.*

Motivation of immediate and delayed payoff has its origin from the surroundings, meaning that the investor has been externally influenced towards a goal (Deci & Ryan, 1985). The first driver is **immediate payoff** – it is the most understandable and stable motive of crowdfunding which creates a special feeling of profit. The main significance of this driver is that investors have payments just after the project earned the first income even if later income is very unpredictable and doubtful (Gerber, et al., 2012). **Delayed payoff.** According to Kaufmann et al. (2011), delayed payoffs may refer to anything gained throughout the process that can have future value for the investor. Kaufmann et al. (2011) mentioned one interesting observation: when the investors know that they would have some income they stay positive about crowdfunding campaign even if it has no potential.

Hypothesis 3 (H3). *There is a positive relationship between the motivation type as the immediate and delayed payoff and the attitude to crowdfunding.*

When a potential investor has a personal relationship with the entrepreneur, the chance of an investment being made is larger than without such relationship (Hermer, 2011) The fact that many investors create close relations with people especially with the creators formalizing their **relationship** as a partner was proved by Huili et al. (2016).

Hypothesis 4 (H4). *There is a positive relationship between the motivation type as the relationship between investors and project creators and the attitude to crowdfunding.*

Federal securities laws of many countries where crowdfunding is widely spread seek to strike a balance between providing potential investors with all material information necessary to make well-informed investment decisions and prevent **fraudulent crowdfunding campaigns** by issuers (De La Vina, 2018). Because fraud seemingly indigenous to the securities industry, it is impossible to prevent individuals from committing securities fraud through an exemption to registration (Bradford, 2013). One of the main concerns regarding crowdfunding is the emergence of fraudulent campaigns on crowdfunded websites-campaigns whose aim is to take advantage of the investor (Stanberry, 2017). In this case trust in the platform can play vital role because cyber-

frauds are very hard to detect. The investors are afraid of losing their money that's why many platforms provide their participants with a great amount of security mechanisms.

Hypothesis 5 (H5). *There is a negative relationship between risks such as the fraud and trust in actors of the process.*

The fact that creator cannot improve his project can demotivate investors in their intention to fund (Koetsier, 2012). Because presenting a crowdfunding campaign involves attracting investors to provide funds in exchange for products, profit, stocks or any other form of contribution between creators and investors, creators may be overly opportunistic with their statements or forecasts. This situation can seriously affect the interaction between creators and investors which in its turn can stop the project development or even close (Krantz, 2012). Investor's trust in entrepreneurs is extremely important and many of investors are not ready to pay their money for the **incompetence of the partners**.

Hypothesis 6 (H6). *There is a negative relationship between risks such as the entrepreneur's incompetence and trust in actors of the process.*

Early-stage projects and ventures are inherently risky. All types of *early projects face many chances of failure*. Crowdfunding projects are not an exception (Cabral, 2012). Although investors are able to incorporate risk into their investment decisions, **information asymmetry** (the fact that creators have more information about risks than investors) may significantly increase the cost of these risks to investors (Waldfoegel&Chen, 2006). The disclosure risk faced by creators and all three risks faced by investors are predicated on information asymmetry between creators and investors (Elfenbein et al., 2012). This asymmetry cause different types of misunderstandings and distrust from investors to entrepreneurs.

Hypothesis 7 (H7). *There is a negative relationship between risks such as the information asymmetry and trust in actors of the process.*

Such relationship may be simply described like: "A possibility for the investor not to earn profit from the investments and lose all the money which were funded to the project" (Hagedorn & Pinkwart, 2013). And the main reason of that was trust in the entrepreneur while investing in crowdfunding campaign. This is the simplest relation when financial damage can lower the trust in actors of crowdfunding.

Hypothesis 8 (H8). *There is a negative relationship between risks such as the financial risk and trust in actors of the process.*

The first studies to provide evidence for a positive relationship between attitude and behavior were by Kelman (1974) and Schuman and Johnson (1976). Utilizing survey data, they argued that there is a pattern of positive and moderately positive relationship between attitudes and behavior. The differences in the findings between laboratory studies and survey researches

have been largely attributed to the constraining and artificial laboratory environment (Kelman, 1974, Snyder&Ickes, 1985). However, beyond the confines of the laboratory the wider context within which the study is conducted can influence the impact of the findings of the relationship between attitudes and behavior (Campbell, 1963). Subsequent studies of the relationship between attitudes and behaviors have demonstrated that the correlations produced are easily ascribed to the methods, tools and the researcher's control of the study. This is, indeed, the case because each study utilizing different methods yielded different results. Moreover, correlations between these two variables do not imply causation (Eagly&Chaiken, 1993). There is now a consensus that there are direct and indirect determinants of entrepreneurial behavior. Among the indirect determinants are personal traits and the demographics of the respondents. The most direct determinant of behavior are intentions. The intentions are influenced by the attitudes towards the behavior, the subjective norm and perceived behavioral control. In order to establish causal links between attitudes and behaviors two major theories have been put forward: the Theory of Reasoned Action (TRA) and the Theory of Planned Behavior (TPB). The theories were described in the subchapter preceding the research part.

Hypothesis 9 (H9). *Attitude towards crowdfunding mediates the relationship between motivation types and the intention to invest in crowdfunding. There is direct relation between attitude and the intention to invest in crowdfunding, thus, the more positive attitude is, the stronger the intention is.*

Studies done by Delafrooz et al. (2011) and Yousafzai et al. (2010) have established a positive relationship between the adoption of online banking and trust. Trust plays a major role in online transaction decisions (Hong et al. 2013). Hence the sustainability of any online business strongly depends on trust building.

Just like any other credit market, trust is always a key factor in crowdfunding platforms (Lo and Lie 2008). In an attempt to identify factors that drive investors to fund their money, Chen et al. (2014) concluded that trust in entrepreneurs and trust in the platforms who influence lenders are the two main determinants of trust. Similarly, Wang et al. (2015) and Yang and Lee (2016) emphasized the importance of trust in actors of crowdfunding. Information integrity, reputation, and trustworthiness thus represent important elements of trust for lenders.

Chen et al. (2014) found that trust in the platform and trust in the entrepreneurs significantly impact the investor's intention. Trust has further been divided into calculus and relationship trust relating to crowdfunding process. The trust effect on the willingness of investors was measured by Kang et al. (2016) through using the following types of variables: (1) entrepreneur-related and (2) platform-related.

Though, trust is one of the significant elements affecting an investor's decision relating to online investment, few studies have examined the effect of trust on the project's success in the field of crowdfunding (Delis et al., 2015). The level of trust or distrust is strongly connected with types of risks from the actors of the process (entrepreneurs and investors) (Grabner-Kräuter & Kaluscha 2003). Trust typically occurs after a dependable relationship history slowly developed through people's communication of prior behaviour (Gefen 2000).

Hypothesis 10 (H10). *Trust in the actors of the process mediates the relation between risk types and the intention to invest in crowdfunding. There is a relation between risks and trust which influences the intention to invest in crowdfunding, thus, the higher the trust is, the higher the intention to invest in crowdfunding is.*

2.3 Method of Data Collection

Taking into the account the relevant researches, it was noticed that the quantitative research method is the most often used in case to study consumer behavior (Loh, 2011). According to Ghauri (2005), the quantitative research method is an effective tool to evaluate consumers attitude and experience and to find the link between causes and consequences. In order to determine the consumer attitude toward product/service, the causal research (Loh, 2011) was used. The quantitative method is a traditional method based on empirical observations and is dominant in social sciences (Newman & Benz, 1998). Furthermore, it allows greater accuracy of the results and summarizes vast sources of information thus various comparisons can be made. In order to test this research model with its all hypothesis, the quantitative research method was chosen. This type of research is an explanatory research type. Explanatory research is research that explains the causal relationship (cause-effect) between the variables that affect the hypothesis (Praharjo, 2020). The causal relationship in this study is to reveal the influence of attitudes, and the level of trust on an investment intentions of crowdfunding investors (Sugiyono, 2014).

The data collection technique used in this study was a survey method, by distributing a research instrument in the form of a questionnaire to respondents. The survey is a data collection technique that is carried out by providing a set of questions or written statements to respondents to be answered (Sugiyono, 2014). This technique is carried out by distributing questionnaires to the respondent's investors of crowdfunding platforms and conducted online via google form.

Our hypothesis are going to be evaluated with the method which provided the right determination of the extent in which they interacted linearly. Correlation analysis was chosen to evaluate the main hypothesis of the research. In some cases, the analysis of correlation can prove or reject the positive or negative correlation among different variables (Mallhotra et al., 2017).

SPSS was used to analyze the hypothesis and present the results of the research in two different cases:

1. Correlation analysis of the intention using all the respondents including reward-based and donation-based crowdfunding and experienced and non-experienced investors.
2. Correlation analysis of the intention with separate evaluation of 4 different groups of the respondents: *experienced investors of the donation-based crowdfunding; non-experienced investors of the donation-based crowdfunding; experienced investors of the reward-based crowdfunding; non-experienced investors of the reward-based crowdfunding.*

For both cases the hypothesis are the same. The motivation-type hypothesis are measured through the variable attitude. The other hypothesis (risk types) are mediated via the trust in crowdfunding. We plan to evaluate the relationship of mediating variables after the analysis of risks and motivation types and it is planned to be the analysis of the whole sample and 4 groups of the respondents separately with the comparison of the results. The hypothesis are:

Hypothesis 1: There is a positive relationship between the motivation type as the enjoyment of the process and the attitude to crowdfunding.

Hypothesis 2: There is a positive relationship between the motivation type as the sense of community among crowdfunding members and the attitude to crowdfunding.

Hypothesis 3: There is a positive relationship between the motivation type as the immediate and delayed payoff and the attitude to crowdfunding.

Hypothesis 4: There is a positive relationship between the motivation type as the relationship between investors and project creators and the attitude to crowdfunding.

Hypothesis 5: There is a negative relationship between risks such as the fraud and trust in actors of the process.

Hypothesis 6: There is a negative relationship between risks such as the entrepreneur's incompetence and trust in actors of the process.

Hypothesis 7: There is a negative relationship between risks such as the information asymmetry and trust in actors of the process.

Hypothesis 8: There is a negative relationship between risks such as the financial risk and trust in actors of the process.

Hypothesis 9: Attitude towards crowdfunding mediates the relationship between motivation types and the intention to invest in crowdfunding.

Hypothesis 10: Trust in the actors of the process mediates the relation between risk types and the intention to invest in crowdfunding.

2.4 Sampling and Questionnaire design

Comparative research method was used to define the sample size. The method include comparative sample size for the research based on the scientific articles of the same field (Esser& Vliegenthart, 2017). Eight similar researches were chosen and the average of respondents who had participated in those surveys is calculated in the table below. According to this, at least 140 respondents will answer the questions of one questionnaire. The questionnaires were designed online via Google Surveys and sent randomly.

Publication	Sample size	Author
The Moderating Role of Perceived Risks in the Relationship between Financial Knowledge and the Intention to Invest in the Saudi Arabian Stock Market	200	Shehata et al., 2020
Factors affecting investors' intention to invest in a peer-to-peer lending platform in Malaysia: An extended technology acceptance model	230	Thas Thaker et al., 2019
Reward crowdfunding contribution as planned behaviour: An extended Framework	220	Shneor&Munim, 2019
Modeling crowdfunders' behavioral intention to adopt the crowdfunding model (CWM) in Malaysia: The theory of the technology acceptance model	100	Thas Thaker et al., 2018
Modelling the Crowdfunding Technology Adoption among novice entrepreneurs: an extended TAM model	190	Jaziri&Miralam, 2019
The Effect of Attitude, Subjective norms and Control of behavior towards intention in share investment	110	Rahadjeng&Fiandari, 2020
Predicting Individual Investors' Intention to Invest: An Experimental Analysis of Attitude as a Mediator	136	Ali, 2015
The Impact of Attitudes towards Saving, Borrowing and Investment on the Capital	100	Kisaka, 2014

Accumulation Process in Kenya: An Application of the Theory of Planned Behavior		
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Table 4. Sample sizes of previous research

Source: created by author

The research will be conducted with an audience of the European investors and people who are connected with investments (businessman, business-angels and volunteers). As well as we are measuring the intention, we can do the research among not only investors but people who work with businesses and projects launching. Within geographic Europe, there are countries such as Belarus where the popularity of this type of investment is rather low but rapidly growing because of the fact that the practice of crowdfunding appeared later. The first crowdfunding platform in Belarus appeared in 2016. Thus, we want to invite the respondents from Belarus to the sample and the Belarusian platform.

The data measurement techniques used in this study:

1. **The Likert scale** is used to measure attitudes, opinions and perceptions of a person or group of people regarding social phenomena. Each question or statement is measured by a Likert scale which has five levels of preference answers, each of which is given a weighting of 1 to 5 with the breakdown of a score of 1 = Strongly Disagree; score 2 = Disagree; score 3 = Neutral; score 4 = agree; score 5 = totally agree.
2. **Nominal scale** will be used to classify the respondents in terms of gender, age, monthly income and etc. This scale will provide some demographic statistics.

The target respondents are to be the users of Talaka, Belarusian crowdfunding platform, the oldest in the market. In addition, investors businessman and volunteers will also take part in a survey. Businessman from different business clubs such as probusiness.io and BP club may be interested in the results of the survey for their commercial reasons or just to reveal the crowdfunding potential in Belarus. The platform Talaka has 600 current investors and some part of them can be our respondents. One interesting characteristic of this platform is that its investors can participate not only financially but with the help of their professional abilities. According to the statistics from the webpage of Talaka the platform helped more than 2500 projects since the year 2013. The platform is working primarily in socially significant projects field. Due to that fact many projects were implemented via donation-based crowdfunding type but the reward-based are used too and have growing popularity. To register on this platform, an investor does not face any problems with identification, there are no special requirements for citizenship or any other characteristic from the investor's side. Each investor registered on the platform can independently decide where to invest after reviewing the project's information and the risks it entails. The

standard information provided about a project includes its description, financial information, market information, management team, sometimes a short video presentation, fundraiser profile and risk. Apart from that, information about the equity price and minimum shares that investors can pledge is provided, along with the project evaluation.

The study data are planned to be gathered through an online survey. The first step is to contact the platforms with the proposal to conduct a survey and share the results with the platform after the research. The same with the business communities. Using the list of donors provided by the platform (Talaka) and access to business communities members we are going to divide the respondents by four main groups:

- 1) *experienced investors of the donation-based crowdfunding;*
- 2) *non-experienced investors of the donation-based crowdfunding;*
- 3) *experienced investors of the reward-based crowdfunding;*
- 4) *non-experienced investors of the reward-based crowdfunding.*

A sample of 250 respondents is planned to participate in the survey. It is planned to take similar respondents in terms of gender, age, incomes. Later we distribute the survey through an email and social networks, targeting those registered on platform who can form the groups. Because of the fact that our research puts an aim to examine investors' intention, the participants are those who have an account on the platform, not just those who have already invested through it. According to our assumption, some of the participants are to be randomly contacted to participate in this research and others can be introduced by other participants. The sample size reflects the in-depth understanding of the donors' motivations and risks to participate and invest in crowdfunding. The respondents would be informed about the purpose of the study and were assured that there is no risk of participation in this study and the data and their personal details are confidential.

The survey consists of two vignette-based questionnaires A and B where vignette as the scene (screenshot) is introduced to the respondents. So, all the measures and answers of the respondents are based on a special situation (Wang&Yang, 2019).

Questionnaires A and B present two different vignettes (the first vignette of donation-based crowdfunding investing and the second is of the reward-based crowdfunding investing) and consist of four parts:

- 1) introduction of the questionnaire and the vignette;
- 2) evaluation of respondent's experience with crowdfunding;
- 3) questions about respondent's motivation types, risk perception and influence of trust and attitude on the intention to invest.
- 4) demographic questions about age, gender, income and nationality of the respondents.

Group of statements 2 from the questionnaires A and B measures the influence of enjoyment on the formation of positive attitude to crowdfunding. The studies of Organisciak (2008) and Brabham (2008) proved that fun and curiosity of a process are an important factor for many crowdfunding investors to fund the money. With the help of this instrument investors can get rid of boredom because that type of investments has many interesting peculiarities of a process. The answers were adopted from Moysidou&Spaeth (2016). The statements are very close to the article (Moysidou&Spaeth) 2016 where the authors studied intrinsic and extrinsic motivation factors and their influence on the usage of different types of crowdfunding.

The next statements measure the influence of the crowdfunding community on the intention to invest in crowdfunding forming positive attitude. Wasiuzzaman et. al., (2014) studying the social drivers of crowdfunding investments concluded that the emotional connection to the members of the process is one of the major drivers on the early stages of crowdfunding.

The answers are very close to each other and were adapted from the Ayeh, Au and Law (2013) who studied behavioral intention and changed for the aim of a questionnaire. The statements were created separately but the common statement can be found in the work of Wingerden and Ryan (2011): «I consider other funders opinions and actions when I make a funding decision».

Other statements measure the influence of immediate and delayed payoff on the trust of other actors of crowdfunding. Kaufmann et al. (2011) highlighted that payoff is a special form of motivation because for some investors waiting of the payment moment brings more pleasure than exact situation. The question is based on the questionnaire of Ganzach et. al, 2008 and redesigned for the vignette-based studies. But the exact statements were adapted from (Shneor&Munim, 2019).

Statements of relationship measures the impact of relationship between the crowdfunding participants on the forming of positive attitude to crowdfunding. The statements were taken and adapted from the research of (Moysidou&Spaeth, 2016) where the authors researched value in our framework answers the question to which extent the project outcome (product or service) possesses specific tangible and intangible attributes, which are of crowdfunder's interest.

Group of statements 3 from the questionnaires A and B measure the influence of fraud on the trust in other actors of crowdfunding. The answers were partly taken and adopted from the questionnaire (Daskalakis&Wei, 2017).

Other statements of that questions measure the risk of entrepreneur incompetence and information asymmetry on the trust in actors of crowdfunding. Studies of Agrawal et.al (2017) specified that it is particularly difficult for funders to assess the true ability of the creator or the underlying quality of the project or venture. The answers were taken and adopted from the

questionnaire of Wingerden&Ryan, (2011): «I prefer funding a project that has recently received substantial funding from other crowdfunders». «I prefer funding projects that have received little funding to date». Answers in our work were redesigned for the vignette-based type of a survey.

Statements which were used to measure influence of financial risk on the trust to other actors' entrepreneurs. The common studies in which we can find the examples of measurement were done by Wingerden and Ryan (2011), Zhengpei and Yang (2019). So, the main statement example is: «The amount of funding a project has received has an influence on my funding decision».

Group of statements 4 from the questionnaires A and B measures the influence of motivation types on forming a positive attitude to the project. First part of the statements was taken and adopted from (Rahadjeng&Fiandari, 2020). Other statements were taken from (Jaziri&Miralam 2019) and adopted to measure the attitude.

Group of statements 5 from the questionnaires A and B measures the influence of risk types on the intention to invest in crowdfunding. The common questionnaire was used in the work of Kisaka (2014) where they measured behavioral control and subjective norms on an intention to share investment.

Group of statements 6 from the questionnaires A and B measures the intention to invest in crowdfunding in its interconnectedness with motivation and risk types. The structure of a question was adapted from Wang&Yang (2019) where they asked the same question to understand the factors which influence the intention of investors in reward-based crowdfunding. The answers in our work were modified to suit the aim of the research.

2.5 The scope of research

Previous studies have not examined the impact of specific risk groups and motivations on the intention to invest in crowdfunding. In this study, certain types are selected based on their influence on investor's decision making. Moreover, risks and motivations were not used as independent variables in previous researches, so the chosen methodology can help the investors to understand the crowdfunding investments from both sides. The research results can affect the investor's behavior regardless of investor's geography, financial situation, qualification and experience. Concluding the chapter, investor's preparation and anticipation of possible financial and non-financial losses caused by risks from other actors and obstacles beyond the control of crowdfunding actors may be prevented.

3. RESEARCH OF THE INFLUENCE OF RISK AND MOTIVATION TYPES ON THE INTENTION TO INVEST IN CROWDFUNDING DATA ANALYSIS AND RESULTS

3.1 Pre-evaluation procedures

For participation in the survey 290 respondents from different respondent's groups were collected. Only 267 questionnaires were collected for the analysis due to the incomplete results. Other 23 questionnaires were omitted from the analysis. The first questionnaire which examines the intention to invest in crowdfunding among the investors of donation-based crowdfunding and vignette-type questionnaire where donation-based crowdfunding project was presented. It includes 129 respondents of different demographic characteristics. As well as the second questionnaire has 138 respondents and measures the intention to invest in crowdfunding from the point of view of the reward-based crowdfunding investors. Because of the fact that our research puts an aim to examine investors' intention, the participants are those who have an account on the platform and are interested in crowdfunding, not only the respondents who have already invested through the instrument of crowdfunding. The questionnaire is vignette-based and offers the respondents the description of reward-based crowdfunding project. Thus, we can identify four main respondent's groups participating in the research:

- a) *experienced investors of the donation-based crowdfunding;*
- b) *non-experienced investors of the donation-based crowdfunding;*
- c) *experienced investors of the reward-based crowdfunding;*
- d) *non-experienced investors of the reward-based crowdfunding.*

Demographic characteristics of the respondents:

Gender. The research includes 267 respondents and 210 of them are male which is 78,4% of the all respondents. 51 respondents were female respondents and it means that 21,3% of female participated in the survey. On this stage of a research we can conclude that men are more interested in such type of a surveys than women, larger half of the respondents are men.

The situation with an **age** groups which were included in the survey are as follows:

- 1) The first group: less than 18 years old – we have the only one respondent which is *less than 1%* of all respondents.
- 2) The second age group is presented by the respondents of the age 18-30 years old – we can confirm that this age group is the majority of our total number of respondents and includes 180 respondents which is 67,2%.
- 3) Another group is the respondents 31-45 years old – 75 respondents which is 28% of all respondents.

4) The last age group is 46-65 years old – 11 respondents which is 4,1%.

Incomes are divided by three groups and the majority of the respondents have incomes in the period 700 - 1400 dollars per month – 129 respondents which is about a half of a total number of respondents 48,1%. Less than 700 dollars are presented by 86 respondents are presented 32,1% of the total amount of respondents. The third group more than 1400 dollars per month is the smallest group with 52 respondents and the 19,4% of all respondents.

The majority of the respondents are from Belarus – 247 respondents and the percentage is 92,2 of all respondents. 20 respondents with non-Belarusian residence are presented with 9,5% of the respondents.

In order to check the reliability of data we used Cronbach's Alpha reliability analysis and following the results new variables were created. Microsoft PSPP program was chosen to do the procedures before evaluating the hypothesis.

1. The first construct which measures motivation is *Enjoyment*:

Case Processing Summary

Cases	N	Percent
Valid	262	97.8%
Excluded	6	2.2%
Total	268	100.0%

Reliability Statistics

Cronbach's Alpha	N of Items
.72	4

Table 5. Reliability of a construct Enjoyment

Source: created by author

The results show that the Cronbach's Alpha is > 0.6 . It means that these statements are reliable and suitable for the analysis. Based on these statements we can create the variable *Enjoyment*.

2. The next construct measures *The Sense of Community*:

Case Processing Summary

Cases	N	Percent
Valid	267	99.6%
Excluded	1	.4%
Total	268	100.0%

Reliability Statistics

Cronbach's Alpha	N of Items
.68	3

Table 6. Reliability of a construct Sense of Community

Source: created by author

The Cronbach's Alpha coefficient is > 0.6 and we can conclude that these statements can be analyzed. The new variable sense of community was created.

3. The next variable is *Immediate and Delayed Payoff*:

Case Processing Summary		
Cases	N	Percent
Valid	263	98.1%
Excluded	5	1.9%
Total	268	100.0%

Reliability Statistics	
Cronbach's Alpha	N of Items
.74	3

Table 7. Reliability of a construct *Immediate and Delayed payoff*

Source: created by author

The Cronbach's Alpha coefficient is > 0.6 and we can conclude that these statements can be analyzed. The new variable sense of community was created.

4. Variable – *Relations* between crowdfunding participants has the same number of statements (3):

Case Processing Summary		
Cases	N	Percent
Valid	254	94.8%
Excluded	14	5.2%
Total	268	100.0%

Reliability Statistics	
Cronbach's Alpha	N of Items
.62	3

Table 8. Reliability of a construct *Relations*

Source: created by author

The Cronbach's Alpha coefficient is > 0.6 and we confirm that these statements are reliable. The new variable relations was created.

5. The next variable is *Fraud* and it consists of three statements:

Case Processing Summary		
Cases	N	Percent
Valid	267	99.6%
Excluded	1	.4%
Total	268	100.0%

Reliability Statistics	
Cronbach's Alpha	N of Items
.58	3

Table 9. Reliability of a construct *Fraud*

Source: created by author

We can conclude that the coefficient Cronbach's Alpha is < 0.6 but $= 0.58$. We can accept such variable. So, the new variable fraud was created. It is better to exclude one statement from the construct due to the low Cronbach's Alpha coefficient. But in this case, we already have 3 statements and it is better not to decrease the number of statements in the construct. We cannot rely on a construct which has less than 3 statements.

6. The next variable is *Entrepreneur Incompetence* and it consists of three statements:

Case Processing Summary

Cases	N	Percent
Valid	267	99.6%
Excluded	1	.4%
Total	268	100.0%

Reliability Statistics

Cronbach's Alpha	N of Items
.67	3

Table 10. Reliability of a construct *Entrepreneur Incompetence*

Source: created by author

We can confirm that the coefficient Cronbach's Alpha is > 0.6 . We can accept such variable. So, the new variable entrepreneur incompetence was created.

7. The next variable is *Information Assymetry* between crowdfunding participants. It consists of three statements:

Case Processing Summary

Cases	N	Percent
Valid	267	99.6%
Excluded	1	.4%
Total	268	100.0%

Reliability Statistics

Cronbach's Alpha	N of Items
.53	3

Table 11. Reliability of a construct *Information Imbalance*

Source: created by author

We conclude that Cronbach's Alpha coefficient is < 0.6 but it is $= 0.53$. We can accept these constructs and create a new variable. It is worth to mention that we have similar case previously and in this construct the situation is the same. It is worth not to decrease the number of statements which is equal to 3.

8. The next variable is *Financial Risk* and includes 3 statements which are:

Case Processing Summary

Cases	N	Percent
Valid	254	94.8%
Excluded	14	5.2%
Total	268	100.0%

Reliability Statistics

Cronbach's Alpha	N of Items
.65	3

Table 12. Reliability of a construct Financial Risk*Source: created by author*

The Cronbach's Alpha coefficient is > 0.6 and we can create the new variable financial risk.

9. The construct *Attitude* was used as the mediating variable and explaining the relationship between motivation factors and intention to invest in crowdfunding.

Case Processing Summary

Cases	N	Percent
Valid	254	94.8%
Excluded	14	5.2%
Total	268	100.0%

Reliability Statistics

Cronbach's Alpha	N of Items
.63	4

Table 13. Reliability of a construct Attitude*Source: created by author*

The Cronbach's Alpha coefficient is > 0.6 . We confirm that this variable is reliable. So, the new variable attitude was created.

10. Variable *Trust* was introduced to the respondents in form of a mediating variable and this variable mediates the influence of risk factors to invest in crowdfunding.

Case Processing Summary

Cases	N	Percent
Valid	257	95.9%
Excluded	11	4.1%
Total	268	100.0%

Reliability Statistics

Cronbach's Alpha	N of Items
.61	3

Table 14. Reliability of a construct Trust*Source: created by author*

The Cronbach's Alpha coefficient is >0.6 . We confirm that this variable is reliable. So, the new variable trust was created.

11. Variable *Intention* includes 3 statements such as:

Case Processing Summary

Cases	N	Percent
Valid	258	96.3%
Excluded	10	3.7%
Total	268	100.0%

Reliability Statistics

Cronbach's Alpha	N of Items
.76	3

Table 15. Reliability of a construct Intention

Source: created by author

The Cronbach's Alpha coefficient is >0.6 . We confirm that this variable is reliable. So, the new variable intention was created.

The variables reliability overview is presented in the table below:

Name	Sample Size	Number of items per scale	Cronbach Alpha
Enjoyment	267	4	0,72
Sense of community	267	3	0,68
Immediate and delayed payoff	267	3	0,74
Relations	267	3	0,62
Fraud	267	3	0,58
Entrepreneur incompetence	267	3	0,67
Information asymmetry	267	3	0,53
Financial risk	267	3	0,65
Attitude	267	4	0,63
Trust	267	3	0,61
Intention	267	3	0,76

Table 16. Reliability of a constructs (overview)

Source: created by author

Before hypothesis evaluation we decided to compare demographic data from both questionnaires to check the possibility to evaluate and compare both samples with the same

variables. The results of comparison proved that we can check the hypothesis and compare values from both questionnaires.

The following measurements are related with the existence of difference in the *Age's category*. Variable age is ordinal and we used Mann-Whitney U-Test for the analysis.

		Ranks		
		N	Mean Rank	Sum of Ranks
Your age in years	Donation-based	129	130.72	16863.50
	Reward-based	138	137.06	18914.50
	Total	267		

Table 17. Mann-Whitney U-Test for measuring the difference of the Age's category among 2 questionnaires

Source: created by author

There is no difference between age of the respondents of the first and the second questionnaires. Mann-Whitney $U = 8478.5$ $Z = -.82$ $p = 0.157$. We confirm that the category age is comparable. The mean of age in the first questionnaire is 130.72 and the mean of age in the second questionnaire shows 137.06. According to p-value there is no difference in these means and the age category of both questionnaires is comparable.

The next variable we decided to check is *Income*. Does income differ among the respondents of the first and the second questionnaire. Income is Ordinal variable. The same Mann-Whitney U-Test was used.

		Ranks		
		N	Mean Rank	Sum of Ranks
Your monthly income	Donation-based	129	125.60	16202.00
	Reward-based	138	141.86	19576.00
	Total	267		

Table 18. Mann-Whitney U-Test for measuring the difference of the Income's category among 2 questionnaires

There is no difference between incomes of the respondents of the first and the second questionnaires. Mann-Whitney $U = 7817$ $Z = -.82$ $p = 0.093$. We confirm that the category income is comparable. The mean of income in the first questionnaire is 125.60 and the mean of income in the second questionnaire shows 141.86. According to p-value there is no difference in these means and the income category of both questionnaires is comparable.

The last category is *Residence*. This variable is nominal. Crosstabs Chi-Square Test was used:

your residence × Type of crowdfunding (Survey 1 or 2)

			Type of crowdfunding (Survey 1 or 2)		Total
			Donation-based	Reward-based	
your residence	Belarus	Count	122	125	247
		Column %	94.6%	90.6%	92.5%
		Total %	45.7%	46.8%	92.5%
	Other country	Count	7	13	20
		Column %	5.4%	9.4%	7.5%
		Total %	2.6%	4.9%	7.5%
Total	Count	129	138	267	
	Column %	100.0%	100.0%	100.0%	
	Total %	48.3%	51.7%	100.0%	

Table 19. Crosstabs Chi-Square Test for measuring the difference of the factor Residence among 2 questionnaires

Source: created by author

There is no difference between category residence in both questionnaires. $\chi^2(1)=1.53$ $p=0.112$. We can compare this samples and evaluate hypothesis. We have 122 respondents from Belarus which is 94.6% in the first questionnaire (donation-based crowdfunding project) and 125 respondents which is 90.6% in the second questionnaire (reward-based crowdfunding project). We have 7 which is 5.4% of the respondents from other country in the first questionnaire and 13 which is 9.4% in the second questionnaire. The results of Chi-Square Test prove that these means are equal and comparable.

For the evaluation of difference in *Gender* we used Crosstabs Chi-Square Test and compare means of both samples (1 and 2 questionnaires):

Your gender × Type of crowdfunding (Survey 1 or 2)

			Type of crowdfunding (Survey 1 or 2)		Total
			Donation-based	Reward-based	
Your gender	Male	Count	99	116	215
		Column %	76.7%	84.1%	80.5%
		Total %	37.1%	43.4%	80.5%
	Female	Count	30	22	52
		Column %	23.3%	15.9%	19.5%
		Total %	11.2%	8.2%	19.5%
Total	Count	129	138	267	
	Column %	100.0%	100.0%	100.0%	
	Total %	48.3%	51.7%	100.0%	

Table 20. Crosstabs Chi-Square Test for measuring the difference of the factor Gender among 2 questionnaires

Source: created by author

There is no difference between gender in both questionnaires. $\chi^2(1)=2.27$ $p=0.31$. We can compare these samples and evaluate hypothesis. The results of Chi-Square Test prove that these means are equal and comparable.

We evaluated 4 demographic characteristics, Age and Income were evaluated using Mann-Whitney U-Test while residence and gender were evaluated with the help of Crosstabs Chi-Square Test. We can conclude that the data is comparable and measurable and suits the research model; there are no barriers for the hypothesis evaluation.

3.2 Evaluation of the hypothesis

Using correlation analysis, we are going to estimate the relationship between risk and motivation factors and the intention to invest in crowdfunding, as well as the role of trust and attitude variables in forming the intention. We choose three directions to present the results:

1) First, we evaluate the results of the correlation analysis to accept or reject the relationship between motivational and risk factors and the intention. The next task is to measure the role of attitude and trust. In that case the whole sample will be analyzed and all types of investors and crowdfunding projects will be included into the sample of correlation analysis. So, we expect to find out what risk or motivational factor has stronger relationship with the intention through different variables of attitude and trust factors.

2) Another way of presenting the results can show a more detailed analysis to prove the influence of investor's type – experienced or non-experienced; influence of crowdfunding type – reward-based project or donation-based one. We consider that the results of the correlation analysis would differ in different situations.

3) During the process of hypothesis evaluation, we decide to determine which correlation coefficient has a stronger influence on the intention to invest in crowdfunding. The main purpose is to choose that very one risk or motivation factor which has bigger relationship with the variables attitude or trust and, thus, to choose what type of factors attitude or trust has a bigger relationship with the intention. In these cases, we were using web-based calculators for the Steiger Z-Tests and Linear Regression Analysis.

We start the hypothesis evaluation from the analysis of the relationship between motivation factors and the attitude of the whole sample:

		Correlations				
		enjoyment	sense_of_com	immeddelayedpay	relations	attit
enjoyment	Pearson Correlation	1	,383**	-,129*	,146*	,285**
	Sig. (2-tailed)		,000	,039	,019	,000
	N	262	262	258	259	251
sense_of_com	Pearson Correlation	,383**	1	,231**	,254**	,171**
	Sig. (2-tailed)	,000		,000	,000	,006
	N	262	267	263	264	255
immeddelayedpay	Pearson Correlation	-,129*	,231**	1	,138*	-,106
	Sig. (2-tailed)	,039	,000		,026	,094
	N	258	263	263	260	252
relations	Pearson Correlation	,146*	,254**	,138*	1	,108
	Sig. (2-tailed)	,019	,000	,026		,086
	N	259	264	260	264	252
attit	Pearson Correlation	,285**	,171**	-,106	,108	1
	Sig. (2-tailed)	,000	,006	,094	,086	
	N	251	255	252	252	255

** . Correlation is significant at the 0.01 level (2-tailed).
* . Correlation is significant at the 0.05 level (2-tailed).

Table 21. Correlation analysis of the relationship between motivation factors and the attitude to crowdfunding

Source: created by author

H1 is accepted. We can conclude that there is a positive relationship between the motivation type as the enjoyment of the process and the attitude to crowdfunding. $R = 0,285$, $p < 0.001$. The strengths of correlation is weak.

H2 is accepted. We can conclude that there is a positive relationship between the motivation type as the sense of community among crowdfunding members and the attitude to crowdfunding. $R = 0,334$, $p < 0.001$. The correlation is very weak.

H3 is rejected. There is no relationship between the immediate and delayed payoff and the attitude towards crowdfunding. $R = -0,106$, $p = 0.094$.

H4 is accepted. There is a positive relationship between the motivation type as the relationship between investors and project creators and the attitude to crowdfunding. $R = 0,108$, $p = 0.086$. The correlation is weak.

In our opinion, these hypotheses prove the theoretical part's conclusions that financial benefits are not the significant factors when participating in crowdfunding. Probably, the immediate and delayed payoff hypothesis was not confirmed due to the fact that the respondents of two samples – donation-based and reward-based crowdfunding projects – are almost equal. As it was mentioned in the theoretical part of the research for the majority of the donation-based project respondents' financial motivations are not important at all. The results allow us to conclude that non-financial intrinsic and extrinsic motivation factors such as enjoyment of the crowdfunding process, sense of community and relations among crowdfunding participants are significant factors for investing in crowdfunding. But we cannot highlight them as crucial since the Pearson coefficient shows a rather weak level of correlation.

In order to test the most significant motivation factor we measure all the motivation factors to check what relation is stronger. We used multiple regression analysis to test the statistical significance of the difference between these factors:

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2,105	,328		6,417	,000
	enjoyment	,225	,073	,217	3,103	,002
	sense_of_com	,092	,067	,098	1,376	,170
	immeddelayedpay	-,094	,052	-,119	-1,816	,071
	relations	,086	,070	,078	1,227	,221

a. Dependent Variable: attit

Picture 1. Regression analysis of testing the most significant factor influencing attitude

Source: created by author

Hypothesis is rejected. Just one factor enjoyment have impact on positive attitude to crowdfunding. Enjoyment ($t=3.951$, $p < 0.001$).

*We can conclude that variable **enjoyment** has the bigger influence on the positive attitude to crowdfunding than any other motivation factor.*

Measuring risk factors, we expected to see opposite correlations and check the relations of our variables. However, the results of hypothesis evaluation of all respondents show the following relationship between risk factors and the trust in crowdfunding:

		Correlations				
		fraud	entreincomp	infassym	financerisk	trus
fraud	Pearson Correlation	1	,367**	,140*	,050	,031
	Sig. (2-tailed)		,000	,022	,418	,623
	N	267	267	267	267	257
entreincomp	Pearson Correlation	,367**	1	,371**	,181**	-,068
	Sig. (2-tailed)	,000		,000	,003	,276
	N	267	267	267	267	257
infassym	Pearson Correlation	,140*	,371**	1	,334**	-,041
	Sig. (2-tailed)	,022	,000		,000	,513
	N	267	267	267	267	257
financerisk	Pearson Correlation	,050	,181**	,334**	1	-,063
	Sig. (2-tailed)	,418	,003	,000		,317
	N	267	267	267	267	257
trus	Pearson Correlation	,031	-,068	-,041	-,063	1
	Sig. (2-tailed)	,623	,276	,513	,317	
	N	257	257	257	257	257

** . Correlation is significant at the 0.01 level (2-tailed).
* . Correlation is significant at the 0.05 level (2-tailed).

Table 22. Correlation analysis of the relationship between risk factors and the trust to crowdfunding

Source: created by author

As we see, the variable fraud with **R= 0.031** and **p=0.623** shows that there is no relationship between fraud and trust in crowdfunding. Measuring **entrepreneur incompetence**, we see the same results there is no relationship between this variable and variable **trust**. **R= -0.068**, **p=0.276**. The same situations with the other risk factors. There is no relationship between variables **‘information asymmetry’** and **‘trust’** in crowdfunding. **R= -0.041**, **p=0.513**. There is no relationship between variables **financial risk and trust in crowdfunding**. **R= -0.063**, **p=0.317**.

So, we can conclude that:

Risk factors did not show a relationship with the trust variable due to the small number of respondents who have significant experience of investing in crowdfunding. We suggest to test the hypothesis which measures risk factors among different sample sizes for further research. Additional deterrent for the risk measurement can be current situation with crowdfunding instrument development in Belarus (lack of crowdfunding platforms, small number of investors, the crowdfunding instrument appeared in the market less than 10 years ago). We suggest to test this hypothesis for the sample from European country where crowdfunding market has been established in a better way.

The next point for the analysis is the relationship between attitude/trust factors and the factor of intention to invest in crowdfunding. The table representing correlation of these two variables and the intention to invest in crowdfunding. Parameters looks as follows:

		attit	trus	intent
attit	Pearson Correlation	1	-,046	,274**
	Sig. (2-tailed)		,477	,000
	N	255	246	247
trus	Pearson Correlation	-,046	1	-,038
	Sig. (2-tailed)	,477		,551
	N	246	257	249
intent	Pearson Correlation	,274**	-,038	1
	Sig. (2-tailed)	,000	,551	
	N	247	249	258

** . Correlation is significant at the 0.01 level (2-tailed).

Table 23. Correlation analysis of the relationship between attitude and trust factors and the intention to invest in crowdfunding

Source: created by author

We see the following results:

H9 is accepted. Attitude towards crowdfunding mediates the relationship between motivation types and the intention to invest in crowdfunding. $R= 0.274$, $p<0.001$. The correlation is weak.

There is no relationship between trust in crowdfunding and the intention to invest in it. $R= -0.038$, $p=0.551$.

As we see, the accepted hypothesis of the relationship between positive attitude towards crowdfunding instrument and the intention to invest in it can be explained by the influence of non-financial external and internal motivational factors. As it was mentioned before these factors influence the decision of the respondents from the donation-based crowdfunding project group to invest in crowdfunding. We can conclude that motivational factors influence the intention to invest in crowdfunding to a bigger extent than risks ones. More precisely, the factors of enjoyment of the process, sense of community among crowdfunding participants and the relations among this community. The relation of trust and the intention was connected with the results of risk factors evaluation. Unfortunately, we conclude that there is no relation between risk factors and trust. We can highlight the following limitations as the main reasons of such results: low number of experienced crowdfunding investors participating in our survey; small sample size of the survey; no wide preliminary testing of the hypothesis on this sample; current level of crowdfunding development in Belarus is not so high as it is in the European markets. We suggest to repeat the research on the sample of the European investors.

In order to get more precise results, we are going to add respondent's experience in crowdfunding to the analysis. We expect that the results will vary due to the difference in people's experience and specifics of crowdfunding – donation-based and reward-based types. Thus, we have 4 additional cases to evaluate relationships between:

- 1) *Experienced crowdfunding investors of the donation-based crowdfunding.*
- 2) *Non-experienced crowdfunding investors of the donation-based crowdfunding.*
- 3) *Experienced crowdfunding investors of the reward-based crowdfunding.*
- 4) *Non-experienced crowdfunding investors of the reward-based crowdfunding.*

Below you can see the analysis of the first respondents' group:

		Correlations				
		enjoyment	sense_of_community	immeddelayedpay	relations	attit
enjoyment	Pearson Correlation	1	,646*	-,055	,341	,783**
	Sig. (2-tailed)		,017	,859	,278	,002
	N	13	13	13	12	13
sense_of_community	Pearson Correlation	,646*	1	-,116	,511	,376
	Sig. (2-tailed)	,017		,705	,089	,206
	N	13	13	13	12	13
immeddelayedpay	Pearson Correlation	-,055	-,116	1	,259	-,321
	Sig. (2-tailed)	,859	,705		,417	,284
	N	13	13	13	12	13
relations	Pearson Correlation	,341	,511	,259	1	,379
	Sig. (2-tailed)	,278	,089	,417		,225
	N	12	12	12	12	12
attit	Pearson Correlation	,783**	,376	-,321	,379	1
	Sig. (2-tailed)	,002	,206	,284	,225	
	N	13	13	13	12	13

*. Correlation is significant at the 0.05 level (2-tailed).
 **. Correlation is significant at the 0.01 level (2-tailed).

Table 24. Correlation analysis of the relationship between motivation factors and the attitude to crowdfunding (donation-based crowdfunding type, experienced investors)

Source: created by author

We see that the results of the analysis confirm some of the hypothesis from the analysis of the whole sample:

H1 is accepted. We can conclude that there is a positive relationship between the motivation type as the enjoyment of the process and the attitude to crowdfunding. R= 0.783, p=0.002. The relationship is strong.

H2 is rejected. There is no relationship between variables as sense of community and the attitude to crowdfunding. R= 0.376, p=0.206.

H3 is rejected. There is no relationship between variables as immediate and delayed payoff and the attitude to crowdfunding. $R = -0.321$, $p = 0.284$.

H4 is rejected. There is no relationship between variables as relations among crowdfunding participants and the attitude to crowdfunding. $R = 0.379$, $p = 0.225$.

After the analysis we can prove that for this respondent's group the strongest relationship has the variable attitude which was previously tested as one of the most valuable motivational factor for the respondents of the whole sample. On the other hand, we can see that other motivation factors which had a relationship while analyzing all the respondents do not show the relationship at all. Thus, the sense of community and the relationship between crowdfunding participants have no influence on the factor attitude among this group of the respondents. It is important to highlight that in case of this respondents group the relationship between enjoyment and positive attitude is high, the correlation can be considered as strong.

The next group we are going to analyze is donation-based crowdfunding type, non-experienced investors. The results of the hypotheses testing:

		Correlations				
		enjoyment	sense_of_co m	immeddelaye dpay	relations	attit
enjoyment	Pearson Correlation	1	,349**	-,290**	,223*	,495**
	Sig. (2-tailed)		,000	,002	,019	,000
	N	112	112	110	111	111
sense_of_com	Pearson Correlation	,349**	1	,058	,234*	,332**
	Sig. (2-tailed)	,000		,542	,012	,000
	N	112	116	114	115	114
immeddelayedpay	Pearson Correlation	-,290**	,058	1	,048	-,199*
	Sig. (2-tailed)	,002	,542		,616	,035
	N	110	114	114	113	112
relations	Pearson Correlation	,223*	,234*	,048	1	,218*
	Sig. (2-tailed)	,019	,012	,616		,021
	N	111	115	113	115	113
attit	Pearson Correlation	,495**	,332**	-,199*	,218*	1
	Sig. (2-tailed)	,000	,000	,035	,021	
	N	111	114	112	113	114

** . Correlation is significant at the 0.01 level (2-tailed).
* . Correlation is significant at the 0.05 level (2-tailed).

Table 25. Correlation analysis of the relationship between motivation factors and the attitude to crowdfunding (donation-based crowdfunding type, non-experienced investors)

Source: created by author

H1 is accepted. We can conclude that there is a positive relationship between the motivation type as the enjoyment of the process and the attitude to crowdfunding. $R = 0,495$, $p < 0.001$. The strengths of correlation is average.

H2 is accepted. There is a positive relationship between the motivation type as the sense of community among crowdfunding members and the attitude to crowdfunding. $R = 0,332$, $p < 0.001$. The correlation is weak.

H3 is rejected. There is a relationship between the immediate and delayed payoff and the attitude towards crowdfunding. $R = -0,199$, $p = 0.035$. The correlation is weak and contrary to our hypothesis. We confirm that there is a negative relationship between the motivation type as the immediate and delayed payoff and the attitude to crowdfunding.

H4 is accepted. There is a positive relationship between the motivation type as the relationship between investors and project creators and the attitude to crowdfunding. $R = 0,218$, $p = 0.021$. The correlation is weak.

The results proved the outcomes of the whole sample. Three main non-financial extrinsic and intrinsic motivation factors has the same influence on the positive attitude of crowdfunding. The relationship between enjoyment and attitude is average; the relationship between sense of community and the relations among crowdfunding participants and attitude is weak.

In order to test the most significant motivation factor for the donation-based project non-experienced respondents we measure three different variables: *enjoyment, sense of community and relations and the relationship of these variables with attitude* to check what exact relationship is stronger. Linear Regression analysis was used for testing the statistical significance of the difference of these relationships.

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.91	.30	.00	6.46	.000
enjoyment	.26	.07	.25	3.81	.000
sense_of_com	.05	.06	.06	.82	.412
relations	.06	.07	.05	.83	.407

Picture 2. Regression analysis of testing the most significant factor influencing attitude

Source: created by author

Hypothesis is rejected. Just one factor enjoyment have impact on positive attitude to crowdfunding. Enjoyment ($t = 3.810$, $p < 0.001$).

*We can conclude that variable **enjoyment** has the bigger influence on the positive attitude to crowdfunding than any other motivation factor for the donation-based crowdfunding project non-experienced group of the investors.*

The next table represents the relationship between motivation factors and the attitude to crowdfunding (reward-based questionnaire type, experienced investors):

		Correlations				
		enjoyment	sense_of_com	immeddelayedpay	relations	attit
enjoyment	Pearson Correlation	1	,689**	-,085	-,128	,106
	Sig. (2-tailed)		,000	,672	,517	,665
	N	28	28	27	28	19
sense_of_com	Pearson Correlation	,689**	1	,084	-,163	,067
	Sig. (2-tailed)	,000		,678	,407	,784
	N	28	28	27	28	19
immeddelayedpay	Pearson Correlation	-,085	,084	1	-,063	,619**
	Sig. (2-tailed)	,672	,678		,754	,005
	N	27	27	27	27	19
relations	Pearson Correlation	-,128	-,163	-,063	1	,099
	Sig. (2-tailed)	,517	,407	,754		,687
	N	28	28	27	28	19
attit	Pearson Correlation	,106	,067	,619**	,099	1
	Sig. (2-tailed)	,665	,784	,005	,687	
	N	19	19	19	19	19

** . Correlation is significant at the 0.01 level (2-tailed).

Table 26. Correlation analysis of the relationship between motivation factors and the attitude to crowdfunding (reward-based crowdfunding type, experienced investors)

Source: created by author

H1 is rejected. We can conclude that for this group of the respondents there is no relationship between enjoyment of the process of crowdfunding and the attitude towards it. $R= 0.106$, $p=0.665$.

H2 is rejected. There is no relationship between variables as sense of community and the attitude to crowdfunding. $R= 0.067$, $p=0.784$.

H3 is partly accepted. There is correlation between variables as immediate and delayed payoff and the attitude to crowdfunding. So, at the minimum threshold of p-value we can confirm that there is a positive relationship between the motivation type as the immediate and delayed payoff and the attitude to crowdfunding. $R= 0.619$, $p=0.05$. The correlation is strong.

H4 is rejected. There is no relationship between variables as relations among crowdfunding participants and the attitude to crowdfunding. $R= 0.099$, $p=0.687$.

Now we can prove that the results of more precise evaluation of the respondent's groups differ the results of the all respondents' hypothesis testing. The main conclusion is that for the respondents of the reward-based crowdfunding project the financial motivation factor has rather significant influence. The results are directly opposite from the situation we have seen in the

evaluation among donation-based project respondents. The only factor which has the relationship is immediate and delayed payoff. The correlation is strong.

The next respondent's group we are going to evaluate is reward-based questionnaire type, non-experienced investors):

		Correlations				
		enjoyment	sense_of_community	immeddelayedpay	relations	attit
enjoyment	Pearson Correlation	1	,398**	,179	,035	-,110
	Sig. (2-tailed)		,000	,063	,719	,255
	N	109	109	108	108	108
sense_of_com	Pearson Correlation	,398**	1	,331**	,202*	-,087
	Sig. (2-tailed)	,000		,000	,035	,371
	N	109	110	109	109	109
immeddelayedpay	Pearson Correlation	,179	,331**	1	,046	-,014
	Sig. (2-tailed)	,063	,000		,634	,886
	N	108	109	109	108	108
relations	Pearson Correlation	,035	,202*	,046	1	-,090
	Sig. (2-tailed)	,719	,035	,634		,355
	N	108	109	108	109	108
attit	Pearson Correlation	-,110	-,087	-,014	-,090	1
	Sig. (2-tailed)	,255	,371	,886	,355	
	N	108	109	108	108	109

** . Correlation is significant at the 0.01 level (2-tailed).

Table 27. Correlation analysis of the relationship between motivation factors and the attitude to crowdfunding (reward-based crowdfunding type, non-experienced investors)

Source: created by author

We can conclude that for the second group of the respondents there is no relationship between enjoyment of the process of crowdfunding and the attitude towards it. $R = -0.110$, $p = 0.255$.

There is no relationship between variables as sense of community and the attitude to crowdfunding. $R = -0.087$, $p = 0.371$.

There is no relationship between variables as immediate and delayed payoff and the attitude to crowdfunding. $R = -0.014$, $p = 0.886$.

There is no relationship between variables as relations among crowdfunding participants and the attitude to crowdfunding. $R = -0.090$, $p = 0.355$.

We can conclude that for the respondents without experience in the crowdfunding instrument there is no relationship between motivational factors and attitude.

The next table represents relationship between risk factors and the trust in crowdfunding (donation-based questionnaire type, experienced investors)

		Correlations				
		fraud	entreincomp	infassym	financerisk	trus
fraud	Pearson Correlation	1	,502	,599*	,590*	,038
	Sig. (2-tailed)		,081	,031	,034	,908
	N	13	13	13	13	12
entreincomp	Pearson Correlation	,502	1	,639*	,565*	,105
	Sig. (2-tailed)	,081		,019	,044	,746
	N	13	13	13	13	12
infassym	Pearson Correlation	,599*	,639*	1	,729**	,583*
	Sig. (2-tailed)	,031	,019		,005	,047
	N	13	13	13	13	12
financerisk	Pearson Correlation	,590*	,565*	,729**	1	,431
	Sig. (2-tailed)	,034	,044	,005		,162
	N	13	13	13	13	12
trus	Pearson Correlation	,038	,105	,583*	,431	1
	Sig. (2-tailed)	,908	,746	,047	,162	
	N	12	12	12	12	12

*. Correlation is significant at the 0.05 level (2-tailed).
 **. Correlation is significant at the 0.01 level (2-tailed).

Table 28. Correlation analysis of the relationship between risk factors and the trust to crowdfunding (donation-based crowdfunding type, experienced investors)

Source: created by author

There is no relationship between variables as fraud and trust in crowdfunding. $R=0.038$, $p=0.908$.

There is no relationship between variables as entrepreneur incompetence and trust in crowdfunding. $R=0.105$, $p=0.746$.

H7 is rejected. There is a correlation between variables as information asymmetry and trust in crowdfunding. We confirm that there is a positive relationship between risks such as the information asymmetry and trust in actors of the process. Our hypothesis sounds that there is a negative relationship between risks such as the information asymmetry and trust in actors of the process. $R=0.583$, $p<0.05$.

There is no relationship between variables as financial risk and trust in crowdfunding. $R=0.431$, $p=0.162$.

The results prove the previous outcomes that even for the donation-based crowdfunding participants risks factors and the trust do not have direct relations. Probably, it happens due to the lack of the experienced participants. The results repeat the outcomes of the whole sample.

For the donation-based questionnaire type and non-experienced investors we see the following results of the risk factors hypothesis evaluation:

		Correlations				
		fraud	entreincomp	infassym	financerisk	trus
fraud	Pearson Correlation	1	,330**	,033	-,011	,091
	Sig. (2-tailed)		,000	,726	,908	,337
	N	116	116	116	116	113
entreincomp	Pearson Correlation	,330**	1	,328**	,172	-,109
	Sig. (2-tailed)	,000		,000	,065	,250
	N	116	116	116	116	113
infassym	Pearson Correlation	,033	,328**	1	,347**	-,160
	Sig. (2-tailed)	,726	,000		,000	,091
	N	116	116	116	116	113
financerisk	Pearson Correlation	-,011	,172	,347**	1	-,012
	Sig. (2-tailed)	,908	,065	,000		,902
	N	116	116	116	116	113
trus	Pearson Correlation	,091	-,109	-,160	-,012	1
	Sig. (2-tailed)	,337	,250	,091	,902	
	N	113	113	113	113	113

** . Correlation is significant at the 0.01 level (2-tailed).

Table 29. Correlation analysis of the relationship between risk factors and the trust to crowdfunding (donation-based crowdfunding type, non-experienced investors)

Source: created by author

H5 is rejected. There is no relationship between variables as fraud and trust in crowdfunding. $R= 0.091$, $p=0.337$.

H6 is rejected. There is no relationship between variables as entrepreneur incompetence and trust in crowdfunding. $R= -0.109$, $p=0.250$.

H7 is rejected. There is no relationship between variables as information asymmetry and trust in crowdfunding. $R= -0.160$, $p=0.091$.

H8 is rejected. There is no relationship between variables as financial risk and trust in crowdfunding. $R= -0.012$, $p=0.902$.

The results are the same like in the previous case. There is no relationship between financial and non-financial risk factors and the trust in crowdfunding instrument. The results repeat the outcomes of all respondents hypotheses testing. We see that for the non-experienced respondents risk factors do not show at least very low level of correlation. As the main reason we can state that for the risk factors evaluation we need to use a bigger sample of experienced

crowdfunding investors. Unfortunately, it is quite complicated to find big number of respondents in Belarus.

The relationship between risk factors and the trust in crowdfunding with the reward-based crowdfunding type experienced respondents is presented in the table below:

		Correlations				
		fraud	entreincomp	infassym	financerisk	trus
fraud	Pearson Correlation	1	,658**	,200	,099	,053
	Sig. (2-tailed)		,000	,307	,615	,799
	N	28	28	28	28	26
entreincomp	Pearson Correlation	,658**	1	,273	,361	,041
	Sig. (2-tailed)	,000		,160	,059	,843
	N	28	28	28	28	26
infassym	Pearson Correlation	,200	,273	1	-,015	-,194
	Sig. (2-tailed)	,307	,160		,941	,342
	N	28	28	28	28	26
financerisk	Pearson Correlation	,099	,361	-,015	1	-,025
	Sig. (2-tailed)	,615	,059	,941		,905
	N	28	28	28	28	26
trus	Pearson Correlation	,053	,041	-,194	-,025	1
	Sig. (2-tailed)	,799	,843	,342	,905	
	N	26	26	26	26	26

** . Correlation is significant at the 0.01 level (2-tailed).

Table 30. Correlation analysis of the relationship between risk factors and the trust to crowdfunding (reward-based crowdfunding type, experienced investors)

Source: created by author

H5 is rejected. There is no relationship between variables as fraud and trust in crowdfunding. $R= 0.053$, $p=0.799$.

H6 is rejected. There is no relationship between variables as entrepreneur incompetence and trust in crowdfunding. $R= 0.041$, $p=0.843$.

H7 is rejected. There is no relationship between variables as information asymmetry and trust in crowdfunding. $R= -0.194$, $p=0.342$.

H8 is rejected. There is no relationship between variables as financial risk and trust in crowdfunding. $R= -0.025$, $p=0.905$.

The analysis of this group of the respondents proved that there is no relationship between financial or non-financial risk factors and the trust in crowdfunding. The results of this group evaluation repeat the outcomes of the all respondents testing. We suppose that the lack of the respondents can not allow us to confirm the relations existence of these variables.

The relationship between risk factors and the trust in crowdfunding for reward-based questionnaire type, non-experienced investors is presented in the table below:

		Correlations				
		fraud	entreincomp	infassym	financerisk	trus
fraud	Pearson Correlation	1	,336**	,183	,077	-,043
	Sig. (2-tailed)		,000	,056	,427	,661
	N	110	110	110	110	106
entreincomp	Pearson Correlation	,336**	1	,398**	,092	-,082
	Sig. (2-tailed)	,000		,000	,340	,403
	N	110	110	110	110	106
infassym	Pearson Correlation	,183	,398**	1	,337**	-,018
	Sig. (2-tailed)	,056	,000		,000	,856
	N	110	110	110	110	106
financerisk	Pearson Correlation	,077	,092	,337**	1	-,178
	Sig. (2-tailed)	,427	,340	,000		,068
	N	110	110	110	110	106
trus	Pearson Correlation	-,043	-,082	-,018	-,178	1
	Sig. (2-tailed)	,661	,403	,856	,068	
	N	106	106	106	106	106

** . Correlation is significant at the 0.01 level (2-tailed).

Table 31. Correlation analysis of the relationship between risk factors and the trust to crowdfunding (reward-based crowdfunding type, non-experienced investors)

Source: created by author

H5 is rejected. There is no relationship between variables as fraud and trust in crowdfunding. $R = -0.043$, $p = 0.661$.

H6 is rejected. There is no relationship between variables as entrepreneur incompetence and trust in crowdfunding. $R = -0.082$, $p = 0.403$.

H7 is rejected. There is no relationship between variables as information asymmetry and trust in crowdfunding. $R = -0.018$, $p = 0.856$.

H8 is rejected. There is no relationship between variables as financial risk and trust in crowdfunding. $R = -0.178$, $p = 0.068$.

The main point we want to highlight is that for this group of respondents there is no relationship between risk types and trust in crowdfunding. The results repeat the outcomes of all respondent's hypothesis testing. We still suppose that such results have been occurred due to the low number of experienced investors because the only experienced investors can estimate risks objectively.

The last group of variables we want to evaluate is relationship of trust and attitude among the investors and the intention to invest in crowdfunding. Hypothesis are:

Hypothesis 9. Attitude towards crowdfunding mediates the relationship between motivation types and the intention to invest in crowdfunding.

Hypothesis 10. Trust in the actors of the process mediates the relation between risk types and the intention to invest in crowdfunding.

The groups of the respondents are the same to make conclusions in details.

The relationship between the attitude and trust to the intention to invest in crowdfunding (donation-based questionnaire type, experienced investors):

		attit	trus	intent
attit	Pearson Correlation	1	,268	,700*
	Sig. (2-tailed)		,399	,016
	N	13	12	11
trus	Pearson Correlation	,268	1	-,113
	Sig. (2-tailed)	,399		,755
	N	12	12	10
intent	Pearson Correlation	,700*	-,113	1
	Sig. (2-tailed)	,016	,755	
	N	11	10	11

*. Correlation is significant at the 0.05 level (2-tailed).

Table 32. Correlation analysis of the relationship between attitude and the trust factors and the intention to invest in crowdfunding (donation-based crowdfunding type, experienced investors)

Source: created by author

H9 is accepted. There is a correlation between the variables such as attitude to crowdfunding and the intention to invest in it. Attitude towards crowdfunding mediates the relationship between motivation types and the intention to invest in crowdfunding. $R= 0.700$, $p < 0.05$. The correlation is strong.

H10 is rejected. There is no relationship between trust in crowdfunding and the intention to invest in it. $R= -0.113$, $p=0.755$.

*The results show that for this group of the respondents the variable attitude has strong relationship with the intention to invest in crowdfunding. It can be explained by the fact that this group of respondents has strong relationship of non-financial intrinsic motivation factor **enjoyment** and the attitude. So, we can conclude that enjoyment motivational factors is the main driver to invest in crowdfunding for the respondents of donation-based experienced group. Variable trust in its turn is connected with risk factors and do not show relations due to the low number of experienced respondents; low level of crowdfunding development in the market of the research and small sample of the whole research.*

The relationship between the attitude and trust to the intention to invest in crowdfunding donation-based questionnaire type non-experienced investors is presented in the table:

		attit	trus	intent
attit	Pearson Correlation	1	-,084	,552**
	Sig. (2-tailed)		,380	,000
	N	114	111	109
trus	Pearson Correlation	-,084	1	-,133
	Sig. (2-tailed)	,380		,169
	N	111	113	109
intent	Pearson Correlation	,552**	-,133	1
	Sig. (2-tailed)	,000	,169	
	N	109	109	111

** . Correlation is significant at the 0.01 level (2-tailed).

Table 33. Correlation analysis of the relationship between attitude and the trust factors and the intention to invest in crowdfunding (donation-based crowdfunding type, non-experienced investors)

Source: created by author

H9 is accepted. There is a correlation between the variables such as attitude to crowdfunding and the intention to invest in it. We confirm that attitude towards crowdfunding mediates the relationship between motivation types and the intention to invest in crowdfunding. $R= 0.552$, $p<0.001$. The correlation is average.

H10 is rejected. There is no correlation between trust in crowdfunding and the intention to invest in it. $R= -0.133$, $p=0.169$.

We can conclude that for the respondents of donation-based non-experienced group the factors of extrinsic and intrinsic non-financial motivation factors such as enjoyment, sense of community and relations are the main drivers of the intention to invest in crowdfunding. This relationship is interconnected with the variable attitude and the strengths of correlation is average. The results completely repeat the evaluation of the whole sample.

The relationship between the attitude and trust to the intention to invest in crowdfunding (reward-based questionnaire type, experienced investors):

		attit	trus	intent
attit	Pearson Correlation	1	,067	-,136
	Sig. (2-tailed)		,791	,578
	N	19	18	19
trus	Pearson Correlation	,067	1	-,130
	Sig. (2-tailed)	,791		,537
	N	18	26	25
intent	Pearson Correlation	-,136	-,130	1
	Sig. (2-tailed)	,578	,537	
	N	19	25	27

Table 34. Correlation analysis of the relationship between attitude and the trust factors and the intention to invest in crowdfunding (reward-based crowdfunding type, experienced investors)

Source: created by author

H9 is rejected. There is no relationship between the variables such as attitude to crowdfunding and the intention to invest in it. $R = -0.136$, $p = 0.578$.

H10 is rejected. There is no relationship between trust in crowdfunding and the intention to invest in it. $R = -0.130$, $p = 0.537$.

We can conclude that for this respondent's group motivational and risk factors do not have any relationship with the intention to invest in crowdfunding as well as there is no relationship between attitude/trust factors with an intention to invest in crowdfunding.

The relationship between the attitude and trust to the intention to invest in crowdfunding (reward-based questionnaire type, non-experienced investors):

		attit	trus	intent
attit	Pearson Correlation	1	-,085	-,098
	Sig. (2-tailed)		,389	,314
	N	109	105	108
trus	Pearson Correlation	-,085	1	,112
	Sig. (2-tailed)	,389		,254
	N	105	106	105
intent	Pearson Correlation	-,098	,112	1
	Sig. (2-tailed)	,314	,254	
	N	108	105	109

Table 35. Correlation analysis of the relationship between attitude and the trust factors and the intention to invest in crowdfunding (reward-based crowdfunding type, non-experienced investors)

Source: created by author

H9 is rejected. There is no relationship between the variables such as attitude to crowdfunding and the intention to invest in it. $R = -0.098$, $p = 0.314$.

H10 is rejected. There is no relationship between trust in crowdfunding and the intention to invest in it. $R = -0.112$, $p = 0.254$.

We conclude that there is no relationship between 3 variables: motivation and risk factors and the attitude and trust. As well as the attitude and trust do not influence the intention to invest in crowdfunding for the respondents of reward-based non-experienced group.

3.3 Results conclusions and recommendations

Results of the hypothesis evaluation:

The perception of crowdfunding motivation factors among investors in donation-based projects differs significantly from investors who are investing in reward-based crowdfunding projects. In addition, there are some differences between experienced respondents and non-experienced ones. We can accept the hypothesis of motivation factors which influence the intention to invest in crowdfunding through the variable attitude for the entire sample of respondents. Thus, the more positive attitude is the higher the level of the intention to invest in crowdfunding is. And the higher the motivation factors are the more positive the attitude towards crowdfunding is. The evaluation of the hypothesis prove the theoretical part of the paper and previous research (Füller, 2010; Zhao et al., 2017; Zhang&Chen 2018; Huynh&Ugander, 2015) where authors conclude that extrinsic and intrinsic motivation types influence the investor's intention. It is very important to mention that previous research revealed the tendency of a bigger influence of non-financial motivation factors than financial ones.

However, these factors were confirmed mainly among the respondents of donation-based crowdfunding. To be more precise we found out that for the experienced investors of donation-based crowdfunding such factor as enjoyment plays crucial role. The fact proves the theoretical part assumption that non-financial extrinsic and intrinsic motivation types are more important for the investors of donation-based crowdfunding than financial motives. These outcomes appeal to the previous research of Organisciak (2008), Brabham (2008) and Bretschneider et al., (2014) and confirm the previous results. As well as for non-experienced respondents all non-financial drivers presented in the research were considered as important and showed an average level of correlation. The factors of enjoyment and non-financial extrinsic motivation factors such as sense of community and relations among crowdfunding participants are of big significance.

The additional confirmation of the importance of non-financial motives was evolved after the analysis of reward-based crowdfunding project experienced respondents. This type of the

respondents have the only one significant motivation factor – immediate and delayed payoff. Knowing the fact that for the majority of respondent's non-financial motivation factors are more important we conclude that previous research done by Gerber, et al., (2012) explained that the reward-based crowdfunding investors are not willing to participate in the process of crowdfunding without at least preliminary consideration of future earnings. The only one motivation factor which has the relationship with positive attitude for the respondents of the reward-based crowdfunding is financial driver. Thus, the results of the analysis of this respondent's group are opposite from the donation-based project respondents. These results explained the necessity of separate respondents' groups analysis to have more precise understanding of investor's motivations.

Unfortunately, other hypothesis which are connected with risks are rejected for the whole sample of the participating respondents and for the detailed groups. Thus, we cannot accept the hypothesis that there is a negative relation between risks types and trust in crowdfunding. As well as, the hypothesis which states that trust mediates the intention to invest in crowdfunding. We can not confirm and prove the previous research done by De La Vina (2018); Heminway (2013); Hagedorn and Pinkwart, (2013) which stated that such risk factors as fraud, entrepreneur incompetence, information asymmetry and financial risks significantly influence the intention to invest in crowdfunding.

Conclusions:

Previous research proved that crowdfunding can be considered as an easy and simple way of entering interesting non-commercial projects, business-communities and the proves of investment for many investors. The paper analyzed 4 different crowdfunding types in terms of professional – non-professional investors; active–passive investors; crowdfunding–crowdlending; types of platforms and entrepreneurs participating in the process. The results reveal the variety of ways how this instrument can be analyzed and let us choose the most appropriate types of crowdfunding – donation-based and reward-based.

Literature analysis proved that such motivation types as enjoyment (Organisciak, 2008; Brabham 2008), sense of community (Wechsler, 2013), immediate and delayed payoff (Gerber, et al., 2012) and the relations between the crowdfunding participants (Dapp&Laskawi 2014) can be stated as significant factors influencing the intention to invest in this instrument. The results of hypotheses evaluation proved previous research and revealed that various groups of crowdfunding investors have different crowdfunding motivations. Thus, we can conclude that motivation types significantly differs by crowdfunding type and the experience of investor.

The theoretical part revealed several risk types which influence the intention to invest in crowdfunding. So, the research done by (De La Vina, 2018; Mollick, 2012; Agrawal et al., 2017) revealed fraud, information asymmetry and entrepreneur incompetence and financial risk as the

main risk factors which negatively affect the intention to invest in crowdfunding. The results of the hypotheses evaluation did not show relations of risk factors influencing the intention. The main reasons of such results are presented in the limitations of the research.

Theoretical analysis did not reveal the direct relationship of risk and motivation variables and the intention. Thus, following the previous research of Kang et al. (2016) and Bretschneider&Leimeister (2017) we can confirm that variables of trust and attitude can mediate motivation and risk factors and the intention to invest in crowdfunding. These variables were chosen and included into the research model. We can conclude that variable attitude proves the theoretical background and shows big influence on the intention to invest in crowdfunding. But trust variable does not show any significant relation with the intention. We state that the variable of trust was connected with risk types and these results can be explained by the lack of risk factors influence.

The research model was created for separate analysis of risks and motivations influencing the intention. Literature analysis showed that there was no source where risks and motivation were measured without interconnection. This change let us to compare risk and motivation factors of different groups of the respondents and crowdfunding types. So, we can conclude that for the Belarusian investors of the crowdfunding motivation factors are more significant than risk ones; positive attitude to crowdfunding is forming by the emotional and social factors such as: enjoyment and relations.

After the hypotheses evaluation we found out non-financial motivation drivers are more significant for the investors than financial ones. In the case of our research for the all respondents of experienced and non-experienced investors of donation-based crowdfunding such driver as enjoyment plays the most significant role. As well as for the experienced and non-experienced investors of the reward-based crowdfunding the motivation factor immediate and delayed payoff has the biggest influence on the intention. What concerns difference which was caused by the experience of the investors we conclude that non-experienced investors are influenced by the same motivation factor but the relationship is very low. We confirm the results of previous research. It is important to mention that the results proved few facts about donation-based and reward-based crowdfunding investors. The only motivation factor which was not important for donation-based investors and do not influence the intention was immediate and delayed payoff. We confirm that the results of the research proved the literature analysis and state that for the donation-based crowdfunding investors financial motivation is not significant but for the reward-based respondents the situation is opposite.

It was noticed that the analysis of risk factors involve high participation of experienced respondents. We see that non-experienced and experienced respondents do not show any relation

with the intention but in case of experienced respondents it can be proved by the low number of respondents from this group participating in this survey. Non-experienced respondents can estimate motivation factors but as we see after the results evaluation the risk factors are not completely clear for many respondents who did not have experience in the instrument of crowdfunding. We conclude that for the risk factors analysis it is better to use the sample of experienced respondents with bigger number of respondents.

After the literature analysis it was noticed that risk factors are connected with external circumstances such as obligations and functions of other crowdfunding participants. For example, the level of cybersecurity of crowdfunding platform, entrepreneur's strategy of a project developments; economic issues in the country of a project. As well as the fact that risks depend on country more than motivation factors. Comparing with motivation factors which are usually connected with internal investor's characteristics such as feelings and emotions and the relationship with other participants.

Taking into account that non-financial motivation factors are significant for several groups of our respondents which has already been proved in the literature analysis we can conclude: crowdfunding can be considered as the form of excitement and charity for many investors.

Limitations:

The lack of experienced respondents in the whole research sample. We overestimated the Belarusian crowdfunding market opportunities before the data collection procedures. The results showed that Belarusian crowdfunding market is quite small. It is very hard to find the needed number of qualified crowdfunding investors as well as platforms. We recommend to repeat the same research in some of the European crowdfunding markets. There are not so much possible platforms and the investors as we supposed. So, we assume that Belarusian investors can not clearly present the results of risk factors and their intention to invest in crowdfunding.

Survey design. Probably the survey is inconvenient for big part of respondents. For the further research, we suggest to test the survey and share it to the several respondents' groups of the target sample before the stage of data collecting.

Risk factors are very sensitive to local crowdfunding situation. It is worth to mention that the level of crowdfunding development as a unique financial instrument significantly differs among regions and countries.

The small sample of the whole research. We suggest to test the same hypothesis among bigger number of respondents to have more precise results especially for risk factors evaluation.

The research may not reach all the risk and motivation factors. The chosen factors may not suit the target audience of the research and influence the results significantly. We would recommend to find more factors in the future studies.

The results did not highlight the difference in risk factors. We recommend to divide the most frequently mentioned non-financial and financial risks and include them into the future research. Probably, using two different questionnaires for two risk groups. The current research showed that non-financial motivation factors have bigger influence on the intention than financial.

During the reliability analysis variables of fraud and information asymmetry did not show suitable Cronbach's Alpha coefficient level. It is important to mention that the difference between the coefficient of these two variables and the minimum level to confirm that they are reliable was small. But we can suppose that this fact is the reason of relationships lack. Unfortunately, such variables were created with the minimum amount of statements (3) and we did not have a possibility to increase the Cronbach's Alpha coefficient.

Recommendations:

As it was mentioned previously risk factors significantly differ from country to country. So, it is of big scientific interest to analyze risk factors influencing the intention to invest in crowdfunding in one or several regions, cultures or countries. It is always recommended to increase the sample size to have more precise results and analyze risk factors separately to evaluate all the peculiarities of risk factors influencing the intention.

Evaluation of non-Belarusian crowdfunding participants can be of a big interest due to the beginning level of crowdfunding development of this country. The research of Lithuanian crowdfunding participants can highlight more interesting relations between risk factors and the intention to invest in crowdfunding. Thus, for many crowdfunding participants this information can be helpful in case of choosing the country of a project and the region of its development.

Further research can be related to other type of crowdfunding participants: crowdfunding platform as a mediator between entrepreneur and the investor or entrepreneur as an owner of the creative or business or donation idea. Theoretical part of our thesis found out that interconnection of crowdfunding participants is very important. As well as the relations between crowdfunding participants was analyzed as one of the motivation factors. How exactly participants communicate or what risk do they face separately can be always of a big scientific interest.

Demographic analysis. Measuring the influence of risk and motivation factors among male and female respondents separately and compare the results we can conclude which demographic group has more intention to invest. As well as the other demographic characteristics like age and income. Our research was dedicated to find the group of investors with such characteristics as type of crowdfunding and experience but it is worth to check demographic characteristics too.

The research results can be very helpful for the crowdfunding platforms and entrepreneurs to understand and use confirmed motivation factors. Thus, crowdfunding platforms and marketing specialists can create the community of participants where they can discuss, create and estimate

projects together. The idea is conditioned by the motivation factor – relations among crowdfunding participants which was estimated during the research.

Marketing specialists can add into the platforms interesting interactive features (video chats, preliminary estimation of a project, interview with the entrepreneur) of a platform can attract the category of investors who look at the crowdfunding process as at the process of enjoyment.

We suggest crowdfunding platform to use referral system while inviting the new investors to your platform. The analysis revealed that one of the main motivation factor influencing the intention to invest in crowdfunding is the sense of community. In case of referral system, you would attract people combining two motivation factors: non-financial – sense of community which was evaluated in the research and financial – for example, discount for the first investment when you attract your friend to the platform.

Platforms as the mediators in the interaction between entrepreneur and investor and their managers should keep in mind that communication among actors of crowdfunding process leads to the better project development. Many communication deterrents are risks and can cause interruption of the funding process. Literature analysis includes example when underperformance of one of the actors can lead to the project failure. It is interesting fact that donation-based crowdfunding investors expect diligence from other participants even more than investors with financial anticipation. IT and security departments of a platforms should fix all the problems with the internet connections or webpage problems immediately.

IMPACT OF RISK AND MOTIVATION TYPES ON AN INTENTION TO INVEST IN CROWDFUNDING

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SUMMARY

82 pages, 35 tables, 1 figure, 2 pictures, 122 References

The aim of this paper – to figure out the relations between risk and motivations factors and the intention to invest in crowdfunding among different type of investors.

The research includes three main parts – literature analysis and the theoretical background for the research; methodological part and the questionnaire; analytical part and the results analysis.

The literature analysis was aimed to focus on the phenomenon of crowdfunding and the analysis of crowdfunding against relevant factors. In addition, the theoretical part covers the investor's types and roles in the process of investing. As well as, the main motivation and risk types were escribed from the previous research. Thus, the chosen types of crowdfunding, experienced and non-experienced investors and the special motivation and risk types can be considered as the main outcomes of the first part and the theoretical background for the research.

After the literature analysis using the TPB (Theory of Planned Behavior) and the TAM (Technology Acceptance Model) we developed the relevant hypothesis and the research model. The aim of the research was highlighted – to check and evaluate the relationships between several motivation and risk factors and the intention to invest in crowdfunding through mediating variables of attitude and trust. The quantitative research method was chosen. The data collection technique used in this study was a survey method, by distributing a research instrument in the form of a questionnaire to respondents. The questionnaire was online and it was shared to the target respondents via internet channels. The survey includes 2 questionnaires which were answered by 290 respondents but only 267 were chosen for the results interpretation.

The results of a survey were analyzed using statistical software programs PSPP and SPSS. The analysis proved the previous research conclusions about non-financial motivation types and their influence on the intention to invest in crowdfunding. Thus, the most significant motivation factor for the whole sample of respondents is enjoyment. Separate analysis of different investor's groups confirmed that financial motives have big impact on the intention to invest in crowdfunding among the experienced investors of the reward-based crowdfunding. Unfortunately, risk factors

and the mediating variable trust did not show relationship with the intention. We stated several limitations of the research which can explain the lack of risk and intention relationships, The main of them: underperformance of the Belarusian crowdfunding market, small sample and the lack of experienced respondents in the research, low coefficient of reliability of some risk variables. More precise reasoning is described in the limitations of the research.

RIZIKOS IR MOTYVAVIMO TIPŲ POVEIKIS KETINIMUI INVESTUOTI Į SUMINĖS FINANSAVIMĄ

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SANTRAUKA

82 psl., 35 lentelės, 1 paveikslas, 2 paveikslai, 122 Literatūra

Šio darbo tikslas – išsiaiškinti rizikos ir motyvacijos veiksnių sąsajas bei ketinimą investuoti į sutelktinį finansavimą tarp skirtingų investuotojų tipų.

Tyrimą sudaro trys pagrindinės dalys – literatūros analizė ir teorinis tyrimo pagrindas; metodinė dalis ir klausimynas; analitinė dalis ir rezultatų analizė.

Literatūros analizėje buvo siekiama sutelkti dėmesį į sutelktinio finansavimo reiškinių ir sutelktinio finansavimo analizę atsižvelgiant į svarbius veiksnius. Be to, teorinėje dalyje aptariami investuotojo tipai ir vaidmenys investavimo procese. Taip pat iš ankstesnio tyrimo buvo apibūdintos pagrindinės motyvacijos ir rizikos rūšys. Taigi pasirinktos sutelktinio finansavimo rūšys, patyrę ir nepatyrę investuotojai bei specialios motyvacijos ir rizikos rūšys gali būti laikomos pagrindiniais pirmosios dalies rezultatais ir teoriniu tyrimo pagrindu.

Atlikę literatūros analizę, taikydami TPB (planuoto elgesio teoriją) ir TAM (technologijų priėmimo modelį), sukūrėme atitinkamą hipotezę ir tyrimo modelį. Išryškintas tyrimo tikslas – tarpininkaujant požiūrio ir pasitikėjimo kintamiesiems patikrinti ir įvertinti ryšius tarp kelių motyvacijos ir rizikos veiksnių bei ketinimo investuoti į sutelktinį finansavimą. Pasirinktas kiekybinis tyrimo metodas. Šiame tyrime naudota duomenų rinkimo metodika – apklausos metodas, tyrimo instrumentą dalijant respondentams anketos forma. Anketa buvo internete ir buvo pasidalinta su tiksliniais respondentais per interneto kanalus. Apklausa sudaro 2 anketas, į kurias atsakė 290 respondentų, tačiau rezultatams interpretuoti buvo pasirinktos tik 267.

Apklausos rezultatai buvo analizuojami naudojant statistikos programas PSPP ir SPSS. Analizė patvirtino ankstesnio tyrimo išvadas apie nefinansinės motyvacijos tipus ir jų įtaką ketinimui investuoti į sutelktinį finansavimą. Taigi reikšmingiausias motyvacijos veiksnys visai respondentų imčiai yra malonumas. Atskira skirtingų investuotojų grupių analizė patvirtino, kad finansiniai motyvai turi didelę įtaką patyrusių atlygiu grįsto sutelktinio finansavimo investuotojų ketinimui investuoti į sutelktinį finansavimą. Deja, rizikos veiksniai ir tarpininkaujantis kintamasis pasitikėjimas neparodė ryšio su ketinimu. Nurodėme keletą tyrimo apribojimų, kurie gali

paaikinti rizikos ir ketinimų santykių nebuvimą, Pagrindiniai iš jų: Baltarusijos sutelktinio finansavimo rinkos nepakankamumas, nedidelė imtis ir patyrusių respondentų trūkumas tyrime, žemas kai kurių rizikos kintamųjų patikimumo koeficientas. Tikslėsnis samprotavimas aprašytas tyrimo apribojimuose.

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APPENDIXES

APPENDIX 1. Quantitative research questionnaire A

Dear respondent, I am a master's student at Vilnius university. At the moment I am working on my master's thesis aimed at finding out how different motivation types, such as *enjoyment*, *sense of community*, *immediate and delayed payoff*, and *relationship*, and second, as well as different risk types, such as *fraud*, *entrepreneurs incompetence*, *information asymmetry* and *financial risk*, influence the intention to invest in crowdfunding – investment instrument which helps young projects businesses and start-ups raise funds, skills, experience and other resources from big amount of persons-investors. I would appreciate if you could spare some time to fullfill the questionnaire. It is anonymous and seeks to know your personal opinion about the statements given below. The results will be solely used for research purpose. Thank you!

1. Have you had an experience in crowdfunding as an investor during the last 24 months?
 - a) Yes, I am (was) an investor.
 - b) No.

Situation

Imagine that you are choosing a project to invest in and read the description of one of them (please see below).

Problem

Insufficient socialization of children and adolescents due to social orphanhood, low self-esteem, self-doubt.

Solution

Organization of creative activities of children in the boarding school, contributing to the acquisition of important social skills through theatrical and circus activities.

Socio-circus pedagogy is a form of work with children and adolescents of the "risk group", which uses circus art as a means of improving social well-being, as well as reducing the crime rate among young people.

The social circus is based on art education, aimed at enhancing the potential of children and adolescents and teaching valuable skills. The use of circus skills and clownery contributes to the acquisition of positive personal qualities: awareness, self-confidence, introspection, independence, perseverance, cooperation, discipline, creativity and many others.

Tasks of the "Social Circus" project:

- *acquisition of social skills through theatrical and circus activities;*
- *increasing self-esteem with the support of an organized community, which provides opportunities for realizing the creative potential of the boarding school pupils;*
- *improving physical and psychophysical health through such types of circus arts as acrobatics and juggling;*

- *uniting children in a common cause, the ability to create strong friendships and find support from peers;*
- *creative employment of children and adolescents.*



The "Social Circus" project involves **conducting classes with children and adolescents in an institution for nine months** , namely, teaching various areas of circus art:

- *clown,*
- *pantomime,*
- *improvisation,*
- *juggling (rotating Chinese plates, balls, rings, shawls, qivido, contact juggling),*
- *acrobatics,*
- *rope walking,*
- *creation and use of props, etc.*

At the end of the project, **the performance** will be **shown** at the boarding school and in other educational institutions.

Fundraising

300\$ has been collected.

1500\$ is needed.

Please, answer the questions after reading the example of a project.

2. To what extend do you agree with the following statements after reading the example of a project? Please, describe the opinion using the following statements (1 - strongly disagree, 3 - neither agree nor disagree 5 - strongly agree).

Answers		1	2	3	4	5
Variable	Statement					
Enjoyment	I would have fun supporting the project.					
Enjoyment	Supporting the project would arouse positive feelings in me.					

Enjoyment	The actual process of supporting the project would give me pleasure.					
Enjoyment	I have an interest in the product/service that the company is developing.					
Sense of community	I enjoy the feeling of belonging to a community of other crowdfunding participants.					
Sense of community	I find it gratifying to see myself on the list of supporters for a project.					
Sense of community	I want to contribute to my local community of entrepreneurs and investors.					
Immediate and delayed payoff	I could expect to gain good monetary return if this project succeeds.					
Immediate and delayed payoff	I may win big money with small money if I support this project.					
Immediate and delayed payoff	My primary goal can be return investment generation.					
Relationship	I get recognition among people from making the investment.					
Relationship	I like to back good ideas and give founders the opportunity to retain control of their ventures.					
Relationship	I enjoy the collaborative spirit in such investments and I want to help people realize their ideas.					

3. How would you rate the risks (if any) associated with this project? Please, describe the opinion using the following statements (1 - strongly disagree, 3 - neither agree nor disagree 5 - strongly agree).

Answers		1	2	3	4	5
Variable	Statement					
Fraud	There is a risk that entrepreneurs may prove to be fraudulent.					
Fraud	There is a risk that platform may prove to be fraudulent.					

Fraud	There is a risk that information about funding may prove to be fraudulent.					
Entrepreneur's incompetence	It can be a risk that I do not know any information about investor's past experience in such types of projects.					
Entrepreneur's incompetence	I am not sure entrepreneurs can realize this type of a project. It can be a risk.					
Entrepreneur's incompetence	It is a risk that entrepreneurs are not well enough informed in relation to particular investor's aims.					
Information asymmetry	The information imbalance between the investors and the entrepreneurs can obstruct the project funding.					
Information asymmetry	The lack of information about what project is doing after the investment is made can be a risk.					
Information asymmetry	Poor information about the ongoing performance of the investment can be a risk.					
Financial risk	I would prefer funding a project that has recently received substantial funding from other crowdfunders.					
Financial risk	I would prefer funding a project that is close to meeting its funding goal.					
Financial risk	If I would fund a project from the crowdfunding platform, I would be concerned about whether the project can be successful.					

4. How would you rate your attitude to this project? Please, describe the opinion using the following statements (1 - strongly disagree, 3 - neither agree nor disagree 5 - strongly agree).

Answers		1	2	3	4	5
Variable	Statement					
Attitude	I am likely to feel good about contributing in this project.					
Attitude	I think contributing into this project would be good for me.					

Attitude	I think contributing into this project would be appropriate for me.					
Attitude	I have a positive opinion about contributing into this project.					

5. How would you rate the level of trust to this project? Please, describe the opinion using the following statements (1 - strongly disagree, 3 - neither agree nor disagree 5 - strongly agree).

Answers		1	2	3	4	5
Variable	Statement					
Trust	I want to feel sure that entrepreneurs knows how to handle the funds they raise for the project.					
Trust	It is important for the investor to know all the details: how long it takes from raising the funds to production and shipping.					
Trust	I can invest if I feel confident that my money would be used wisely by the entrepreneurs.					

6. How would you rate your intention to fund this project? Please, describe the opinion using the following statements (1 - strongly disagree, 3 - neither agree nor disagree 5 - strongly agree).

Answers		1	2	3	4	5
Variable	Statement					
Intention	Given the chance, I would consider to fund this project.					
Intention	It is likely that I will actually fund this project.					
Intention	Given the chance, I intend to fund this project.					

Additional Demographics questions:

7. Your gender:

- a) Male;
- b) Female.

8. Your age (in years):

- a) <18;

- b) 18-30;
- c) 31-45;
- d) 46-65;
- e) >65.

9. Your monthly income per month (neto):

- a) <700 \$;
- b) 701–1400\$;
- c) >1400\$.

10. Your residence:

- a) Belarus;
- b) Other Country.

Thank you for taking part in the survey.

APPENDIX 2. Quantitative research questionnaire B

1. Have you had an experience in crowdfunding as an investor during the last 24 months?
 - a) Yes, I am (was) an investor.
 - b) No.

Imagine that you are choosing a project to invest in and read the description about one of them (please see below).

We combined four generations of shoe-making knowledge with modern materials technology. The result is an innovative leather shoe and sneaker that doesn't crease and folds flat to 2 inches. It is light & comfortable for all-day use, and can easily be packed in small carry-ons, briefcases, backpacks, and weekender bags. Say goodbye to choosing between taking an extra pair of shoes on your next trip or paying exorbitant checked baggage fees!

One of the added benefits of combining the latest materials tech into our heel & toe counters with naturally elastic buffalo leather is that we created innovative leather shoes that won't crease! Now you can bring multiple shoe options on a trip without having to pay to check a larger suitcase. They fit in your carry-on or even your backpack. If you're on a business trip and want a comfortable pair of sneakers just in case you have some time to roam the city, now you have that option without sacrificing any space!

Our sneakers are no different than our dress shoes when it comes to flexibility. They are designed to be flexible in a way that was never possible before due to concerns over crease damage the shoe may incur. Your foot will bend and move in any direction it wants with little to no resistance from the shoes.

Our dress shoes include a memory foam cushioned insole that will mold to your foot over time. Our sneakers have a shock absorbing insole to ensure all-day comfort and walking bliss. Built on our proprietary Ace last to reduce common pressure around the ball and heel of your foot. They are comfortable out of the box and for daily wear.



*To assure that our supporters receive **top-notch service**, we put together a team with **extensive experience in footwear logistics and distribution**.*

We are excited to share our new products and vision with the world!

***If you order it, you will receive it!** Every backer will receive their reward.*

*We created the **Leave Your Marks** program to **activate** the Ace Marks family and **incentivize** giving back. By **sending back your worn** Ace Marks Italian Luxury Statement **shoes** every time you buy a new full priced Italian luxury Statement shoe you, our supporters, not only **get a \$60 credit** and a great reason to keep your shoe game fresh, you also **participate in changing someone's life**.*

*To make sure that our **shoe donations** are put to good use, we **partnered** with the company Career Gear to donate them to help men in need enter the workforce, **stay employed** and become **role models** and mentors to their **families and communities**.*

US, Canadian, and non-EU international addresses will ship from our facility in Miami, FL. EU backers will be shipped from within the EU so that there will be no import duties, only VAT. Based on the size of the campaign, we will be able to negotiate better rates for all backers. Domestic & International shipping & VAT (if applicable) will be charged at the time of the survey once the campaign is over.

If applicable, duties and local taxes will be charged by the appropriate authority at the destination country. Please determine these charges locally.

Production will take 8-10 weeks, and shipping approximately 3 weeks.

*By **March 2022**, or sooner, we expect to be shipping to you from our facilities.*

We are very experienced in delivering shoes and handling any issue that may arise along the way! We will do everything in our power to make sure we meet the timeline. YOU are key to the success of our campaign, and ultimately our company. Without you, we don't have a reason to exist! By the year of 2023 we expect that our company will grow three times and your annual interest rate can be around 50-70%.

US\$ 235,008 pledged of US\$ 500,000 goal.

Thank you!

Please, answer the questions after reading the example of a project.

2. To what extent do you agree with the following after reading the example of a project? Please, describe the opinion using the following statements (1 - strongly disagree, 3 - neither agree nor disagree 5 - strongly agree).

Answers		1	2	3	4	5
Variable	Statement					
Enjoyment	I would have fun supporting the project.					
Enjoyment	Supporting the project would arouse positive feelings in me.					
Enjoyment	The actual process of supporting the project would give me pleasure.					
Enjoyment	I have an interest in the product/service that the company is developing.					
Sense of community	I enjoy the feeling of belonging to a community of other crowdfunding participants.					
Sense of community	I find it gratifying to see myself on the list of supporters for a project.					
Sense of community	I want to contribute to my local community of entrepreneurs and investors.					
Immediate and delayed payoff	I could expect to gain good monetary return if this project succeeds.					
Immediate and delayed payoff	I may win big money with small money if I support this project.					
Immediate and delayed payoff	My primary goal can be return investment generation.					

Relationship	I get recognition among people from making the investment.					
Relationship	I like to back good ideas and give founders the opportunity to retain control of their ventures.					
Relationship	I enjoy the collaborative spirit in such investments and I want to help people realize their ideas.					

3. How would you rate the risks (if any) associated with this project? Please, describe the opinion using the following statements (1 - strongly disagree, 3 - neither agree nor disagree 5 - strongly agree).

Answers		1	2	3	4	5
Variable	Statement					
Fraud	The fundraiser may prove to be fraudulent.					
Fraud	The platform may prove to be fraudulent.					
Fraud	The information about funding may prove to be fraudulent.					
Entrepreneur's incompetence	I do not know any information about investor's past experience in such types of projects.					
Entrepreneur's incompetence	I am not sure that entrepreneurs can realize this type of a project.					
Entrepreneur's incompetence	Non-professional entrepreneurs are not well enough informed in relation to particular investor's aims.					
Information asymmetry	The information imbalance between the investors and the entrepreneurs can obstruct the project development.					
Information asymmetry	The lack of information about what project is doing after the investment is made is a big risk.					
Information asymmetry	Poor information about the ongoing performance of the investment.					
Financial risk	I would prefer funding a project that has recently received substantial funding from other crowdfunders.					

Financial risk	I would prefer funding a project that is close to meeting its funding goal.					
Financial risk	If I would fund my money a project from the crowdfunding platform, I would be concerned about whether the project can be successful.					

4. How would you rate your attitude to this project? Please, describe the opinion using the following statements (1 - strongly disagree, 3 - neither agree nor disagree 5 - strongly agree).

Answers		1	2	3	4	5
Variable	Statement					
Attitude	I am likely to feel good about contributing in this project.					
Attitude	I think contributing into this project would be good for me.					
Attitude	I think contributing into this project would be appropriate for me.					
Attitude	I have a positive opinion about contributing into this project.					

5. How would you rate the level of trust to this project? Please, describe the opinion using the following statements (1 - strongly disagree, 3 - neither agree nor disagree 5 - strongly agree).

Answers		1	2	3	4	5
Variable	Statement					
Trust	I want to feel sure that entrepreneurs knows how to handle the funds they raise for the project.					
Trust	It is important for the investor to know all the details: how long it takes from raising the funds to production and shipping.					
Trust	I can invest if I feel confident that my money would be used wisely by the entrepreneurs.					

6. How would you rate your intention to fund this project? Please, describe the opinion using the following statements (1 - strongly disagree, 3 - neither agree nor disagree 5 - strongly agree).

Answers		1	2	3	4	5
Variable	Statement					
Intention	Given the chance, I would consider to fund this project.					
Intention	It is likely that I would actually fund this project.					
Intention	Given the chance, I intend to fund this project.					

Additional Demographics questions:

7. Your gender:

- c) Male;
- d) Female.

8. Your age (in years):

- f) <18;
- g) 18-30;
- h) 31-45;
- i) 46-65;
- j) >65.

9. Your monthly income per month (neto):

- d) <700 \$;
- e) 701–1400\$;
- f) >1400\$.

10. Your residence:

- c) Belarus;
- d) Other Country.

Thank you for taking a part in a survey.

APPENDIX 3. The hypotheses testing results

Hypothesis of the research	Results of testing
Hypothesis 1: There is a positive relationship between the motivation type as the enjoyment of the process and the attitude to crowdfunding.	Accepted
Hypothesis 2: There is a positive relationship between the motivation type as the sense of community among crowdfunding members and the attitude to crowdfunding.	Accepted
Hypothesis 3: There is a positive relationship between the motivation type as the immediate and delayed payoff and the attitude to crowdfunding.	Partly accepted
Hypothesis 4: There is a positive relationship between the motivation type as the relationship between investors and project creators and the attitude to crowdfunding.	Accepted
Hypothesis 5: There is a negative relationship between risks such as the fraud and trust in actors of the process.	Rejected
Hypothesis 6: There is a negative relationship between risks such as the entrepreneur's incompetence and trust in actors of the process.	Rejected
Hypothesis 7: There is a negative relationship between risks such as the information asymmetry and trust in actors of the process.	Rejected
Hypothesis 8: There is a negative relationship between risks such as the financial risk and trust in actors of the process.	Rejected
Hypothesis 9: Attitude towards crowdfunding mediates the relationship between motivation types and the intention to invest in crowdfunding.	Accepted
Hypothesis 10: Trust in the actors of the process mediates the relation between risk types and the intention to invest in crowdfunding.	Rejected