

The Hong Kong University of Science and Technology

Dept of Information System, Business Statistics
and Operations Management

Seminar Announcement

Examining Project Backing Decisions in Crowdfunding: Project Backers Experience and Information Complexity

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Date : 3 June 2016 (Friday)
Time : 2:30 - 4:00 pm
Venue : Room 5047, LSK Business Building



Abstract: Reward-based crowdfunding has become an important venue for funding-raising in support of creative projects. Crowdfunders usually have limited information in evaluating projects, thus researchers have focused on examining how crowdfunders overcome the information asymmetry problem and make funding decisions. Current research on crowdfunding focuses on identifying signals and information from the project creator and other project backers to reduce the uncertainty. We extend this stream of work on crowdfunders in three ways. First, the current research does not consider that crowdfunders are heterogeneous and thus may process the same information differently. We thus examine how the experience of crowdfunders influences the way they process the information. Second, we differentiate between information arising from other crowdfunders' decisions and feedback, thus providing a comprehensive view of how crowdfunders make use of information from observing others. Third, we further distinguish between two levels of information complexity and show that experienced crowdfunders place higher weight on complex information compared to their less experienced peers. Drawing upon the Elaboration Likelihood Model and using detailed data collected from Kickstarter, we find that more experienced crowdfunders are more likely to evaluate the information through the central route and pay more attention to complex information embedded in both other crowdfunders' decisions and feedback. On the other hand, less experienced crowdfunders are more likely to evaluate the information through the peripheral route and pay more attention to simple information embedded in other crowdfunders' decisions and feedback. Overall, our findings provide a comprehensive view on how crowdfunders make use of the information from observing others and highlight the importance of crowdfunder differences in reward-based crowdfunding.

Bio: Boh Wai Fong is an Associate Professor at the Nanyang Business School, Nanyang Technological University in Singapore. She received her PhD from the Tepper School of Business at the Carnegie Mellon University. Her conducts research in the areas of knowledge and innovation management. She has also won multiple awards, including awards for best papers in journals, conferences, and as a best IS professor in Asia. She has published in multiple top business journals including *Management Science*, *MIS Quarterly*, *Academy of Management Journal*, *Organization Science*, *OBHDP*, *Journal of Management Information Systems*, *Journal of Association Information Systems*, *Research Policy*, and *Information & Organization*. She currently serves as a Senior Editor for *Information & Organization*, and an Associate Editor for *Management Science*. She is also on the editorial board of *Organization Science*, *JMIS*, and *Journal of Database Management*. She has also previously served as an AE for *Information Systems Research*.