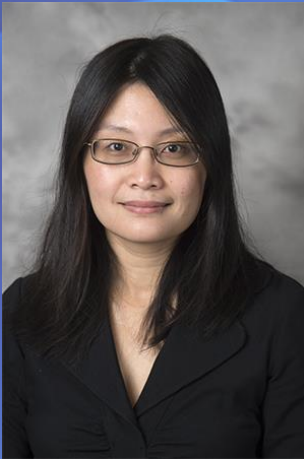


THE HONG KONG POLYTECHNIC UNIVERSITY DEPARTMENT OF MANAGEMENT AND MARKETING

Departmental Research Seminar



Donors, Buyers, and Information Disclosure in Crowdfunding Markets: A Case of Platform Split-up By

Prof. Ting Zhu
Purdue University

Date : 21 Nov 2022 (MON)

Time : 9 – 10:30 am

Venue : Online via Zoom

Abstract

Crowdfunding platforms are a fast-growing approach for entrepreneurs to finance their new product developments. Improving crowdfunding campaigns' performance with more diverse participants, however, is difficult. In this paper, the authors investigate how platform specialization changing in platform size and backers' composition (donors vs. buyers) influences platform participant behaviors and campaign outcomes with the Indiegogo platform split-up. Their results show a higher probability of reaching funding goals for campaigns on a reward-based platform (main platform) after the launch of a new donation-based platform. Crowdfunding platform participants' strategic responses to the platform split-up drive such improvements in crowdfunding outcomes. First, fewer campaigns are launched on the main platform after the platform split-up. Second, creators provide more visual campaign information (i.e., images and videos here) to mitigate information asymmetry that is more of a concern after the platform split-up as a larger proportion of backers becomes buyers, who are more sensitive to such visual information than donors. These findings are consistent with the notion that potential backers' motivations for supporting a campaign drive creators' information disclosure strategy. The study provides important managerial implications for platforms and participants.

Prof. Ting Zhu is Jack A. Hockema Chair in Management and Professor of Marketing at Krannert School of Management, Purdue University. Her publications and research interests focus on entry models, consumer choices, retail competition, pricing, and new technology adoption. Ting has received numerous awards and grants. She has published papers in *Marketing Science*, *Journal of Marketing Research*, *Journal of Marketing*, *Quantitative Marketing and Economics* and *Rand Journal of Economics*. She previously served on the faculty of the Sauder School of Business at the University of British Columbia, Booth School of Business at the University of Chicago, and School of Economics and Management at Tsinghua University. Ting Zhu earned her PhD in marketing from Carnegie Mellon University, and MS and BS from Tsinghua University.

All interested are welcome.



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