

The Effect of Multiple Cues on the Quality Perception of Crowdfunding Products: A Cue Diagnosticity Framework

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Abstract

Although a lot of research has been done on reward-based crowdfunding, scholars pay little attention to how multiple cues affect the quality perception of crowdfunding products under information asymmetry. To bridge this gap, this paper utilizes a cue diagnosticity framework to differentiate between high-scope cues (the founder's social capital and online comments) and low-scope cues (the number of pictures, sentences and videos), and empirically investigates how these two types of cues are diagnostic in the process of assessing the product quality. Based on the cue diagnosticity framework, under different high-scope cues, this paper puts forward hypotheses about the influence of low-scope cues on backers' quality perception of crowdfunding products. The findings show that regardless of the social capital and comments of founders, the number of pictures and videos in the introduction of reward-based crowdfunding will have a positive impact on the quality perception of crowdfunding products. When at least one of the founder's social capital or comments is good, the number of sentences will have a positive effect. However, when the founder's social capital and comments are poor, the number of sentences will have a negative impact on the quality perception of products. Furthermore, we replace the dependent variable and change the classification method of backer's social capital to ensure the robustness of the results. This paper enriches the research of reward-based crowdfunding, and provides important implications for founders to raise more funds from backers by publishing more effective information.

Keywords

Reward-based crowdfunding, Quality perception of crowdfunding products, Cue diagnosticity framework and Multiple cues.

Acknowledgements

This work was supported by the National Natural Science Foundation of China [grant number 72271047, 72031002].

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