The effect of entrepreneurial passion on funding at crowdfunding platforms

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Abstract

Passion is seen as one of the most influential drivers of entrepreneurs. It was firstly described in order to explain entrepreneurial behaviour which was different from non-entrepreneurs due to the unconventional risk taking, motivational energy, courage, unflagging pursuit of challenging goals, persistence in the face of goals, uncommon intensity of focus and unwavering belief in a dream of the entrepreneur. Passion is experienced when the entrepreneur performs activities that are associated with his/her entrepreneurial role. One of the vital entrepreneurial tasks that is required for an entrepreneur to perform is to acquire the needed funding. Funding enables an entrepreneur to pursue opportunities and facilitates the firm’s ability to survive, grow and generate a profit.

Scholars have researched a vast amount of factors that would increase the possibility of getting funded. Passion is one of these and has been found to enhance getting funded in the traditional setting. Yet, little is known about its effect in a crowdfunding context. Therefore, this study takes a closer look at the relationship between passion and funding at crowdfunding sites. It is investigated how an entrepreneur’s passion affects the level of funding received by analysing the texts in videopitches at crowdfunding sites.

This study draws upon a vast collection of data collected from the well-known crowdfunding site FundedByMe. Coding was used in order to identify the occurrence of passion in the videopitches. To empirically investigate the research question, a content analysis was carried out by the software NVivo, which enabled the researcher to test the relationship between the use of passion expressed in words and funding. This was followed by multiple statistical tests (nonparametric and logistic).

The results could not support the hypotheses that the sole use of passion increases the amount of funding received, neither could it be supported that an increase of expressed passion by the entrepreneur positively influences the chances of getting successfully funded. Future research should examine all the different expressions of passion (e.g. body language, facial expression, tone of voice), instead of only looking at passionate words, in order to find support for the relationship between passion and funding.

Keywords: passion, funding, crowdfunding, videopitches, coding, text analyses
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Introduction
The driver of an entrepreneur is his/her passion. It facilitates an entrepreneur’s efforts to adapt and cope with external challenges in order to pursue a certain goal. It was firstly described in order to explain entrepreneurial behaviour which was different from non-entrepreneurs due to the unconventional risk taking, motivational energy, courage, unflagging pursuit of challenging goals, persistence in the face of goals, uncommonly intensity of focus and unwavering belief in a dream of the entrepreneur (Cardon et al., 2009; Breugst et al., 2011). It is experienced when the entrepreneur performs activities that are associated with his/her entrepreneurial role (Ho and Pollack, 2014). One of the vital entrepreneurial tasks that is required for an entrepreneur to perform is to acquire the needed funding. Funding enables an entrepreneur to pursue opportunities and facilitates the firm’s ability to survive, grow and generate a profit.

However, acquiring the needed resources is seen as a complex and challenging undertaking (Mitteness et al., 2012) and can be acquired by traditional investment strategies or crowdfunding. A lot has been researched on the factors that increase the likelihood of getting funded at crowdfunding sites. However, little is known about the influence of the entrepreneur’s passion that drives the entrepreneurs work. This is striking since research has shown that passion does influence the entrepreneur and its environment (Gorgievski et al., 2014; Murnieks et al., 2014; Patel et al., 2015; Ho and Pollack, 2014; Chen et al., 2009; Breugst et al., 2012). Therefore, in this study a closer look at the relationship between passion and funding at crowdfunding sites is taken and it is investigated how passion affects the level of funding received by entrepreneurs at crowdfunding sites.

In order to understand what crowdfunding truly is, it is wise to look at its definition. From an entrepreneurial perspective it is described as; “the efforts by entrepreneurial individuals and groups – cultural, social, and for-profit – to fund their ventures by drawing on relatively small contributions from a relatively large number of individuals using the internet, without standard financial intermediaries” (Mollick, 2014, p.2).

These crowdfunding platforms are a rather new phenomena and were first established in the year 2001 (Gerber and Hui; 2013). It is a platform that promotes stories of entrepreneurs in order for them to get funding from everyday people, the crowd. This new concept has revolutionized the way in which entrepreneurs can obtain funding for their business ideas (Massolution, 2013). In contrast to the previous centuries, entrepreneurs now have the possibility to bypass or complement venture capital, bank loans, angel investors or capital from friends, fools and family by focusing on the crowd instead (Belleflamme et al., 2010; Belleflamme et al., 2013).

Nowadays there are several platforms online with the only purpose of facilitating fundraising from the crowd in very different projects. These platforms help entrepreneurs in presenting, communicating and coordinating their funding initiatives. At the other side of the platform there are the funders, who are also the future consumers. Through these platforms the crowd has gained an entirely new power since it decides which concept will be launched (Segelmark and Ocieczek, 2014).

Scholars have found it interesting to determine the factors that lead to successful fundraising of entrepreneurial ventures (Baum and Silverman, 2004; Dushnitsky, 2009; Kirsch et al., 2009; MacMillan, 1986; Stuart and Shane, 2002). However, this literature primarily focused at the traditional funders. Although crowdfunding is also fundraising, it has a very different setting (online) and a different type of funders (mainly un-professional funders, all over the world, etc). Few papers did focus on crowdfunding and searched for factors that would influence the crowd in their funding behaviour (Frydrych et al., 2014; Mollick et al., 2014; Burtch et al., 2011).
Researchers focusing on traditional funders have already investigated and found evidence of a significant relationship between perceived passion and funding potential in the traditional funding setting (Chen et al., 2009; Mitteness et al., 2012). They found that traditional funders can experience the passion of the entrepreneur due to its passionate behaviour (facial expression, tone of voice, body movement, etc) (Chen et al., 2009; Mitteness et al., 2012). This assumption is based on research of Cardon et al., 2009, who argued that passion has a clear effect on brain and body. More interesting, Mitteness and colleagues (2012) found a positive relationship between perceived passion and funding potential for angel investors, after controlling for the strength of the business idea.

Although there is research available about the relationship between perceived passion and getting funding by angel investors (Mitteness et al., 2012) and other third parties (Chen et al., 2009), there is little known about the effect of passion on crowdfunding. Is the crowd more likely to fund campaigns on crowdfunding sites if they perceive the entrepreneur’s passion? Does passion influence their funding behaviour? These and other questions have not yet been researched and this resulted in a significant research gap in the existing literature. This is seen as problematic because answers to these and other questions could help entrepreneurs in their struggle to get funded.

Therefore the purpose of this thesis is to investigate the influence of passion used by entrepreneurs in crowdfunding video pitches. It is well known that passion can influence people in different ways but does it also has a significant effect on the level of funding? In this research crowdfunding video pitches from FundedByMe will be analysed and coded in order to do a quantitative analysis. Additionally, this research will aim to contribute to the practical implications for the crowdfunding market by proving the importance of passion in crowdfunding campaigns. The research question is defined as:

“How does entrepreneurial passion influence the level of funding received by entrepreneurs at crowdfunding sites.”

This study draws upon a vast collection of data collected from the well-known crowdfunding site FundedByMe. The projects in the dataset were started between April 2012 and February 2014 and were 817 in total. Of these projects the data set contained their names, descriptions, minimum funding goals, total funding goals and number of backers. However, some additional information was required but this could be extracted from the crowdfunding’s website.

To empirically investigate the research question, a content analysis was carried out by the software NVivo, which enabled the researcher to test the relationship between the use of passion expressed in words and funding. This was followed by multiple statistical tests (nonparametric and logistic). The results showed that there is no significant relationship between the use of passion and getting funded.
Literature review

In the following section the theory on which this thesis is based will be presented. This thesis looks at passion and funding in a crowdfunding context. Since every new idea and the passion originates from the entrepreneur, he/she is included in the framework as well. This leads to the theoretical framework presented in fig 1. It is based on the subject of this study: The effect of entrepreneurial passion on funding at crowdfunding platforms.

The outline of the literature review will look as follows. Section 1 will present the entrepreneur. The second section will introduce the entrepreneurs’ most important driver, their passion. The third section examines the several effects of passion on the entrepreneur and its environment. The fourth section examines funding and how it is influenced by passion. In the last section the two hypotheses are developed and defended.

1. The entrepreneur

Entrepreneurship starts with an idea in an individual (Haggerty, 1982). The idea is perceived by the individual as an entrepreneurial opportunity, an opportunity to do things better, cheaper, more effective or faster. They are opportunities to bring into existence new goods, services or organizing methods that allow outputs to be sold at more than their cost of production (Casson, 1982). Such an opportunity showed itself to a certain individual, which we now call the entrepreneur.

1.1. Entrepreneur’s story

Every entrepreneur has a story to tell. Effective storytellers are even seen as successful entrepreneurs (Marten et al., 2007). At crowdfunding sites the entrepreneur can tell his/her story by adding a video or add an elaborate text. In such a story the entrepreneur has the opportunity to try to persuade the crowd to fund his/her project. A good story has several effects; 1) empowering the speaker by capturing the attention of the audience and by stimulating the audience to form associations, 2) creating a purposeful atmosphere by facilitating the delivery of information to the audience in an influential way, 3) enabling binding and bonding between entrepreneur and audience by building trust, 4) building a community by enhancing audience involvement, and 5) packaging a message into a simpler, more coherent and meaningful whole which is more easily transferred and perceived by the receiving subject (Gargiulo, 2005; Martens et al., 2007).

These effects are experienced because a story packages the entrepreneurs and his/her team’s identity into a simpler, more coherent and meaningful whole which is more easily transferred and perceived by the crowd (Marten et al., 2007). Literature found that when doing so storytelling reduces the perceived uncertainty and risk associated with the exploitation of entrepreneurial opportunities and
that this could motivate and mobilize potential resource providers into committing capital to an entrepreneurial enterprise (Martens et al., 2007).

A lot of research has been performed on several aspects of stories used at crowdfunding sites and how this influences funding potential. Martens et al. (2007) found that effectively constructed stories help entrepreneurs acquire the needed money to exploit identified opportunities. More importantly, they argued that storytelling is influential to a firm’s ability to secure finance from external sources and identify ways in which entrepreneurs can work with narratives to enhance resource acquisition. Others showed that the language used (Mitra et al., 2014) and the rhetorical content (Allison et al., 2013) in these stories also influences resource acquisition. One aspect that can also be captured in these stories is passion.

2. Entrepreneurial passion

As described above, the researcher investigates the impact of entrepreneurial passion on funding potential at crowdfunding sites. Passion is seen as the most important element of this study since the researcher wants to examine the relationship of this independent variable with the dependent variable of funding.

Passion was firstly described in order to explain entrepreneurial behaviour; the unconventional risk taking, uncommon intensity of focus and unwavering belief in a dream. It is often described as ‘the fire of passion’ or ‘the fire in the belly’ that drives daily efforts (Cardon et al., 2009; Breugst et al., 2011). It is the feeling that emerges when “one has the freedom and opportunity to pursue one’s dream” (Galbraith et al. 2014). Or as the founder of the Bodyshop said it is ‘the fire that drives your life’s work’. It is different from motivation since this encompasses a broad array of psychological forces encouraging individuals to exert effort, whereas passion is more about intense, positive tendency aimed at specific tasks (Murnieks et al., 2014).

A scientific review done by Cardon et al., (2009), showed that among the articles they analysed, three themes were most prevalent when describing entrepreneurial passion: (1) the content of “passion” is an intense positive emotion (2) whose empirical referents or objects usually involve venture-related opportunities, tasks, or activities and (3) that has a motivational effect that stimulates entrepreneurs to overcome obstacles and remain engaged (Cardon et al. 2009). Based on these themes, psychological literature on emotions and feelings, grounded ideas from entrepreneurship research and practice, Cardon et al., 2009 defined their own definition. This definition will be leading in this study as well due to the following two reasons: 1) It defines passion from an entrepreneurial perspective, and 2) It is the most cited definition of passion in literature.

Entreprenurial passion is a consciously accessible, intense positive feeling experienced by engagement in entrepreneurial activities associated with roles that are meaningful and salient to the self-identity of the entrepreneur (Cardon et al., 2009, p.517)

2.1. Factors influencing entrepreneurial passion

Not only does passion influence the behaviour of an entrepreneur but passion itself can also be influenced. There have been several calls for research to investigate factors that influence entrepreneurial passion (Cardon et al., 2012; Murnieks et al., 2014) and the factors that are relevant for this study will be discussed below.
Entrepreneurial role and activity

There are two elements that determine the experienced passion; the entrepreneurial role and the activity or object. Some scholars argue that entrepreneurs are passionate about a specific activity or object while others argue that the entrepreneur is passionate about the entrepreneurial role as a whole it is fulfilling. Also a point of view in the middle has been found. These three point of views will be explained below.

Research done by Gartner et al., (1999) identified three different entrepreneurial roles for which an entrepreneur could be passionate about. These were; 1) an inventor identity, 2) a founder identity, and 3) a developer identity. All three identities are explained below:

- **An inventor** identity, where the entrepreneur’s passion is for activities involved in identifying, inventing, and exploring new opportunities
- **A founder** identity, where the entrepreneur’s passion is for activities involved in establishing a venture for commercializing and exploiting opportunities
- **A developer** identity, where the entrepreneur’s passion is for activities related to nurturing, growing, and expanding the venture once it has been created

In their opinion the match between the entrepreneur’s identity and the performed activities that are associated with a certain identity, determine if an entrepreneur experiences passion and to what extent. The role that is identified as most salient and central at a certain time point, is the role the entrepreneur is most committed to, fosters the highest amount of passion and is experienced as most meaningful. The identity that is most central is also called hierarchically dominant (Gartner et al., 1999)

That said, this theory shows that although entrepreneurs are more passionate about certain activities that are closer to the role they wish to perform, they are passionate about activities that are further away from their identity as well. This creates a middle ground and the possibility for entrepreneurs to be passionate about basically every activity as long as its connected to one of the three entrepreneurial roles.

This is also supported by Cardon et al. (2009) and Gielnik et al. (2015) who highlight that an entrepreneur identifies him or herself with multiple roles while others weigh one identity as significantly more meaningful to them than the others. These role identities may change over a lifetime and can result in a covariation of passion over time (Cardon et al. 2009; Gielnik et al. 2015).

Some research argue that an entrepreneur can lose his/her passion. This can be caused by a change in the entrepreneur’s self-identity or with a changing surrounding. If for instance an entrepreneur only feels passion for the inventor role, he/she will lose his/her passion when the entrepreneur has to undertake venture growing related activities (Murnieks et al., 2014). The researcher of this study believes that losing passion due to different activities is unlikely because entrepreneurs are passionate for the entrepreneurial endeavour as a whole. This notion is also supported by Ho and Pollack et al., 2014 and by both conceptual and empirical works in the entrepreneurship literature, whereby researchers have acknowledged that the overall role of being an entrepreneur may be the object of passion (Cardon et al., 2013; Murnieks, 2007), and measured entrepreneurial passion in reference to that role as a whole (Murnieks et al., 2012).

This can be interpreted as followed; An entrepreneur feels passion for his/her entrepreneurial role. Being an entrepreneur means that several entrepreneurial activities need to be performed. Pitching to investors is one of these activities and since an entrepreneur is always passionate when performing
entrepreneurial activities, the entrepreneur is also passionate while pitching to investors, even if the activity is not directly linked to the most salient role of the entrepreneur.

Research also identified three factors that influence entrepreneurial passion: free choice, new venture progress (Gielen et al., 2015) and identity centrality (Cardon et al., 2009; Vallerand et al., 2003). It is however not of significant importance for this study to discuss these factors and therefore left out. For further readings see references.

3. Effect of passion
The next aspect that will be looked at is how passion influences the entrepreneurs’ behaviour. It is important to assess this aspect since it provides evidence on how the entrepreneurs are influenced by it and how they show to the environment that they are passionate. Therefore two aspects will be addressed: the effect of passion on the entrepreneur’s behaviour and the effect of passion on the entrepreneur’s environment.

3.1. Effect of passion on entrepreneur’s behaviour
Research showed that passion has a clear effect on the brain and body of an entrepreneur. It facilitates an entrepreneur’s efforts to adapt and cope with external challenges in order to pursue a certain goal. It is believed to trigger all types of effects, like motivational energy, courage, risk taking, unflagging pursuit of challenging goals and persistence in the face of goals (Cardon et al. 2009).

Research done by Vallerand et al. (2003, p. 757) defined passion as a “strong inclination toward an activity that people like, that they find important”. This strong inclination is believed to be perceived by others through the effects, like the motivational energy but also by the unflagging pursuit of challenging goals and persistence in the face of goals, passionate entrepreneur’s animated facial expression, energetic body movements, and rich body language (Chen et al. 2009).

In addition, next to these positive affects, an entrepreneur can experience short-term emotions that vary in intensity and valence. For example, an unforeseen problem may yield a negative short-term emotion such as sadness, even when the entrepreneur still experiences positive feelings at the same time (Cardon et al., 2008). Therefore it is believed that passionate entrepreneurs will display overall positive affect, even in painful or difficult situations since “passion ensures that the entrepreneur persists in the face of difficulties and keeps enthusiasm high during the pursuit” (Breugst et al., 2011, p173).

Based on this notion it is believed that entrepreneurs at videopitches are experiencing positive feelings while pitching and that this could possibly be experienced by their environment as well. Also in line with the literature, it is believed that entrepreneurs do indeed experience and express positive feelings while pitching although they possibly experience negative feelings at the same time. Therefore the specific emotional state of the entrepreneur is irrelevant for this study and will also not influence the expressed passion by the entrepreneur.

3.2. Effect of passion on entrepreneurial environment
The next aspect of passion that needs to be described is the influence of passion on the entrepreneurs environment. It is essential to highlight this aspect because it shows what has already been researched on this topic and by which mechanism the crowd can be moved by an entrepreneurs passion.

Literature sees entrepreneurs as critical players for an well-performing society and has investigated elements that could predict entrepreneurial performance. Passion is seen as one of the factors that influence the performance of its environment on an individual and organizational level (Gorgievski et
Research showed that entrepreneurial passion can be transferred to the audience by arguing that entrepreneurial passion can be directly transferred both to the internal organization and to the external stakeholders by two different modes of communication, the content of what is communicated and how the communication takes place (Cardon et al., 2008). This statement already suggests that a passionate entrepreneur should be capable of transferring its passion with the use of passionate words through video pitches to the crowd. If this then indeed triggers the crowd to fund the project, is for this study to find out. In the following section the theory behind the phenomena of transferring passion and how it influences the crowd is outlined.

Theory
The theory of emotional contagion explains how an entrepreneur’s display of passion can trigger an audiences’ concordant or discordant affective reaction depending on social comparison process. This can be explained as follows; affects that are triggered by passion can transfer between two parties because individuals have the irrepressible tendency to mimic another person’s facial expression, vocalizations, postures, movements and the exposed affect that comes with it (Hatfield et al., 1994). This notion is also supported by Heider’s (1958) balance theory which explains this concordant reaction almost in the same way by proposing that people feel a strong drive to be equal with members of their group, namely people who they perceive to be close to them and with whom they share goals and values. However this reaction is only evoked if the sender of affect is perceived to be close or in a similar situation, or if they share the same goals and values (Hatfield et al., 1994). If the sender of affect has different goals and values or is not in a similar situation, the audience wants to differentiate from the sender and is therefore more likely to react with the opposing emotions (e.g. joy vs suffer) or with no affect at all. This kind of reaction is called a discordant reaction (Heider, 1958; Platow et al., 2005).

If this theory is then applied to this study, it results in the following. An entrepreneur tells his story during his pitch and does this with a lot of passion. The crowd has, as the theory of emotional contagion explains, an irrepressible tendency to mimic this affect. It becomes passionate about the entrepreneur’s project as well. However, it will only experience passion if it shares the same goals and values as the entrepreneur. This assumption is quite logical and is seen in daily life as well. People can for instance more easily become friends with others to which they can relate to, the same goes for triggering passion in others. If this happens, it is assumed that they are also more likely to fund the project.

4. Funding and passion
The foundation on which this study is built is almost fully explained. The last part that still needs to be explained is the funding and how it is influenced by passion. First a brief description of funding is provided, this is followed by explaining what influences funding, then crowdfunding as the context of this study is discussed as well as a brief discussion of the traditional funding sources, and this section is ended with discussing previous literature that already focused on the effect of passion on funding.

4.1. Funding
If an entrepreneur recognizes an opportunity and wants to develop it into a business, he is at the very start of the entrepreneurial trail. With only a feasible idea, a business cannot be established. It needs resources of all kinds such as financial, physical, human and intangible capital. These need to be acquired from third parties and this undertaking is commonly acknowledged to be a vital, crucial and
challenging entrepreneurial task (Allison et al., 2013; Shane, 2003; Starr & MacMillan, 1990). By some, acquiring funding is seen as the greatest challenge faced by an entrepreneur (Brush et al., 2001).

4.2. Influencers of funding
This difficulty of acquiring funding rises from information asymmetry between the funder and the entrepreneur. This asymmetry is caused by a difference in information between the funder and the entrepreneur about the opportunity and the entrepreneurial means to exploit these opportunities. This triggers the funder’s uncertainty about the opportunity and the entrepreneurial means to exploit these opportunities and that decreases the chance of the entrepreneur to get funded. In order to cope with these challenges, entrepreneurs have relied on social ties and signalling quality during pitches (Martens et al., 2007).

Passion however is also a very important aspect. Entrepreneurs have to sell their idea to potential investors and in such a situation passion can be used to trigger the funder to invest their money, time, and effort in the new venture (Chen et al., 2009). It is perhaps even more important in the non-profit sector where funders often do not receive any financial returns. In order to trigger funders to invest, passion can be used to make a compelling case for the causes they endorse. Hence passion is seen as an important, powerful, critical but also intangible and hard-to-measure quality of the entrepreneur that can be used in many situations that are aiming to establish something new (Chen et al., 2009).

4.3. Crowdfunding and traditional funding
Currently there are two kinds of funding known that can be used by the entrepreneur to acquire financial support; crowdfunding and traditional funding. For centuries entrepreneurs have relied on the traditional funding resources. This kind of funding resource is comprised of two funding sources, debt and equity. Debt is mainly provided by banks and involves lending money from one party (the creditor) to the receiving party (the debtor). The creditor tries to minimize his/her risk by demanding collateral and by claiming first hand right to claim equity when things are going wrong (Segelmark and Ocieczek, 2014).

The other type, equity, involves investing money in return for equity stakes in the company. Due to this return in dividends and future value gains, the investor gains control of the company. They could be friends, family, business angels, venture capitalists or the entrepreneurs themselves. Equity acquired from business angels or venture capitalists is seen as smart money since it also comes with support, advice and experience. Funds offered by banks do not offer this extra and are therefore also mentioned as stupid money (Schwienbacher and Larralde, 2010).

However, an abundant amount of literature found that many entrepreneurial ventures remained unfunded due to a lack of sufficient value in the eyes of the traditional funders or because of failed attempts to convince investors (Chen et al., 2009; Kirsch et al., 2009). To bypass these problems, a new kind of funding has been established in 2001. It is called crowdfunding and is derived from the broader concept of crowdsourcing, the outsourcing of problem-solving tasks to a distributed network of individuals (Gerber and Hui, 2013).

Since the introduction of the first crowdfunding platform more than a decade ago, crowdfunding has supported a wide range of campaigns, ranging from video game designers who were capable of raising more than $1 million from 60,000 funders for creating a game console, to product designers who raised over $30,000 from 2,000 supports to produce an eco-friendly pencil (Kickstarter, 2015). Basically with any idea an entrepreneur can post a campaign but getting funded has proven to be a bigger challenge.

In the last decade several definitions have been developed that describe crowdfunding (Wharton, 2010). Among these definitions several differences can be found in their formulation but all definitions
incorporate several aspects of crowdfunding that are seen as universal. These are; internet as a medium, small contributions from a large number of people and that crowdfunding aims at providing entrepreneurs with financial resources. Some definitions incorporate the nature of the fund seeker (e.g. individual or team) which could be establishing a cultural, social or for-profit venture (Mollick et al., 2014). Others incorporate the fact that crowdfunding does not require standard financial intermediaries (Belleflame et al., 2010).

In this thesis the more entrepreneurial definition of crowdfunding will be used considering the scope of this study which is on the entrepreneur and its entrepreneurial passion. The most applicable definition is stated by Mollick et al. (2014) and is formulated as followed:

“Crowdfunding refers to the efforts by entrepreneurial individuals and groups – cultural, social, and for-profit – to fund their ventures by drawing on relatively small contributions from a relatively large number of individuals using the internet, without standard financial intermediaries” (Mollick et al., 2014, p1).

If there is looked at the definition in more detail, two players can be identified; the founders and the funders. The first is described as “all individuals who are seeking funding for a cultural, social or for-profit venture” (Mollick, 2014, p2) and are basically the entrepreneurs. They will therefore be called entrepreneurs in this study. The other party, the funders, are the individuals investing or donating in the crowdfunding projects.

These funders are in most cases also the ones who receive the goods and services but due to mechanism of crowdfunding they are not only on the receiving but also on the co-producer end. This is realized by funding but also with other means such as marketing, beta-testing, innovating and designing (Shirky, 2008; Agrawal et al., 2014; Belleflamme et al., 2013; Frydrch et al., 2014).

There are five different models of crowdfunding currently known. These are; equity, credit, reward, donations as well as royalty-based crowdfunding. These five types of crowdfunding can be grouped into two groups; the financial crowdfunding models and the non-financial models. The former are equity, credit and royalty-based. The latter are donation and reward-based and they are grouped in the non-financial type because funders get nothing at all or non-financial rewards only (Massolution 2013, De Buysere 2012). Not all the different types are as frequent, some are even rare (Mollick et al., 2014). At the platform of FundedByMe where the material for this study has been extracted from, royalty-based crowdfunding is not supported.

Crowdfunding enables the entrepreneurs to pursue their ideas by acquiring funding even if they have limited access to traditional resources of financial backing, such as banks or venture capitalists. This is done through online transactions. Furthermore, it enables the crowd with disposable income to give to others and fund in projects that might not be realized without their financial support (Gerber and Hui, 2013).

4.3.1. Factors influencing crowdfunding success

Previous research has put a lot of effort in defining factors that influence the funding success of projects at crowdfunding sites. For instance Mollick et al. (2014) and Burtch et al. (2011) found that signalling quality is of great importance. Signalling quality increase the likeliness of getting funded by funders.

Mollick et al., (2014) and Chen et al., (2009) took a closer look at this quality requirement. They found that having a video, frequently posting updated and the absence of spelling errors has a clear influence
on the perceived quality of the project and thereby influence the success of the crowdfunding project (Mollick et al., 2014).

Next to this result, they showed that a large numbers of friends on online social networks are similarly associated with success. In addition, they showed that the geographical component also plays an important role since funders were more likely to fund projects that reflect the underlying cultural products of their geographic area (Mollick, 2014).

Research done by Greenberg et al. (2013) identified several factors that could predict with a 68% probability if a project will get successfully funded or not. They looked at the following aspects of a campaign: the funding goal, the project category, number or rewards available, length of campaign, sentiment, grade level, number of sentences in project description and Twitter or Facebook connectedness as well as number of Twitter followers and Facebook friends of the entrepreneur (Greenberg et al. 2013).

Other research identified several additional project characteristics that influenced funding through the increase of the projects legitimacy. They found that; the composition of the founding’s team (Zimmerman and Zeitz, 2002; Baum and Silverman, 2004; Frydrych et al., 2014), gender (Frydrych et al., 2014), timing and exposure of fundraising campaigns (Burtch et al., 2011; Frydrych et al., 2014), kind of rewards (Burtch et al., 2011; Frydrych et al., 2014), having a good structured story with the right words (Martens et al., 2007; Mitra et al., 2014; Allison et al., 2013) and incorporating videopitches influences legitimacy and indirect funding potential (Clarke, 2011). Some of these factors will be used as control variables in this study, others that were not controlled for are discussed in the discussion.

4.4. Crowdfunding and passion

Although there are more than twenty factors found that influence getting funded at crowdfunding sites, little is known about the effect of passion. The literature that did research this relationship will be described in the following section.

It is especially interesting to research this relationship in a crowdfunding context because this context is not only seen as a booming industry that is expected to have an even bigger impact in the future, but also because the crowd can not rely on due diligence in contrast to the traditional funders in order to narrow down the information asymmetry between the entrepreneur and the funder.

Also can the crowd as a funder not be seen as a specialist in the specific field of the entrepreneur and also, it does not have access to information that is relevant. Such relevant information can be information about the industry, past performance of the entrepreneur and many other (Schwienbacher and Larralde, 2010). This information is usually available for angel investors and venture capitalists. Based on these arguments passion can be expected to have a bigger impact on getting funding then in the traditional situation since the spoken words and visual presentation in which passion is captured are the only means of communication of the entrepreneur in order to acquire funding.

4.5. Acquiring funding through network centrality

The entrepreneurial environment comprises many aspects. One of which is the relationship between the entrepreneur and the funders. It is important to maintain a healthy and fruitful relationship because it facilitates funding and this enables an idea to develop into a product, service or venture. One factor that showed to influence this relationship is the entrepreneur’s passion (Ho and Pollack, 2014).
Ho and Pollack (2014) found that passion influences a certain aspect of the relationship between the entrepreneur and the funder, the entrepreneur’s network centrality. It is believed to indirectly influences the funding potential of the entrepreneur. In their study two different kind of passion were worked with: harmonious and obsessive. Both kind of passion are similar in reflecting the person’s desire to pursue an activity one likes or loves, finds important, and in which one invests time and energy (Vallerand et al., 2003). However, the main difference between the two types of passion is whether the activity remains under their control (harmonious passion) or takes over the person (obsessive passion) (Vallerand et al., 2003; Thorgren and Wincent, 2015).

Their research hypothesized that financial implications arise from how an individual positions itself in the network, which in turn varies systematically according to that individual’s passion (Ho and Pollack 2014). It was also hypothesized that entrepreneurs driven by harmonious passion operate through a more proactive mechanism, seek actively to engage with others in the network and have a greater likelihood of being approached by fellow networking group members to discuss work-related issues and thereby increasing the likelihood of getting funded.

The study showed that financial implications arise from how an individual approaches and is approached by others in the network. Obsessive passion even showed to be harmful to financial performance. But more importantly, it showed that passion can be perceived by an audience and that it influences the entrepreneurs environment and the funding potential.

4.6. Pitching for funding

The influence of passion on funding was also researched by Chen et al., 2009 but then from another angle. They based their research on notions of previous research which suggested that passion could be an important criteria for investors to fund a project or not. Next to this research gap they investigated the specific conditions under which passion was likely to play a bigger role in investment related decisions.

In their study they looked at the display of passion and if this influenced venture capitalist to fund ventures. They believed that passion manifests in facial expression, body movement, tone of voice and nonverbal cues. When passionate entrepreneurs would pitch their business ventures, it could predict venture capitalists’ intentions to fund ventures. They found that venture capitalists were less influenced by passionate displays of emotion than preparedness of the entrepreneur (logical presentations supported by facts).

Another study that looked at the relationship between perceived passion and funding potential was Mitteness et al., 2012. Their paper focused specifically on angel investors and perceived passion while Chen et al., 2009 primarily focused on displayed passion and used undergraduate, MBA, and doctoral students as evaluators. Mitteness and colleagues found, in contrast to Chen et al., 2009, a positive relationship between perceived passion and receiving funding by angel investors after controlling for the strength of the business idea.

The findings of both papers can be perceived as contradicting and so, the link between passion and funding is unclear. However, there is a significant difference between both papers that can explain the different outcomes. First of all, both articles looked at a different audience and it could be that both audiences have different criteria for determining whether an entrepreneur is passionate or not, or different criteria to evaluate potential investments were followed. Second, the angel investors in the article by Mitteness et al., 2012 were actually evaluating live deals to invest their own money, while
the investors in the study of Chen et al. only made evaluations for a business plan competition. Therefore the two papers differ in audience and type of investment.

When looking at the differences between both papers and the scope of this study, it is argued that the paper of Mitteness and colleagues is more closely linked to the scope of this study (the crowd is also investing with their own money and are also evaluating live deals). Therefore there should be more emphasis put on their outcome that there is a positive relationship between perceived passion and receiving funding by angel investors. In addition, it adds to the growing body of evidence that the expression of passion by an entrepreneur influences the likelihood of receiving funding.

5. Hypotheses development

This research has been based on the deductive research approach which concerns developing a hypothesis based on existing theory and knowledge, and then designing a research strategy to test the hypothesis. In the following section the relationships between the different literatures will be presented and the reasoning behind these relationships will be explained. Based on these relationships, the hypothesis is rooted (Beiske, 2007).

As described, entrepreneurship starts with the entrepreneur. This entrepreneur needs funds to start its venture with. In the past decades, there was only traditional funding but now crowdfunding has been introduced. The biggest differences between crowdfunding and traditional funding is the type of funders, the amount of funders supporting one project and the medium it uses.

At crowdfunding sites, entrepreneurs have the possibility to tell their story. About their entrepreneurial struggle, the project or any other related subject. Stories are an important part of a crowdfunding site, especially when a videopitch is included by the entrepreneur. It is seen as a powerful entrepreneurial instrument that can also develop support for nascent ventures and create and manage emotions of the crowd.

Research showed that it matters which elements of stories are included because it has significant impact on the likelihood of a project to get funded. Not only rhetorical content or word choice but also the structure of a narrative showed to be important (Allison et al., 2013; Mitra et al., 2014). By using these stories, an entrepreneurial team’s identity is packaged into a simpler, more coherent and meaningful whole which is more easily transferred and perceived by the receiving subject (Martens et al., 2007). Thereby storytelling reduces the perceived uncertainty and risk associated with the exploitation of entrepreneurial opportunities and that this could motivate and mobilize potential resource providers into committing capital to an entrepreneurial enterprise (Martens et al., 2007).

In these stories, passion can also be captured. Passion was firstly described to explain the entrepreneurs behaviour which differentiated from non-entrepreneurs due to its clear effect on brain and body (Cardon et al., 2009). Due to this effect, it is believed that passion also influences the word choice of an entrepreneur by choosing words that display the entrepreneur’s passion.

An entrepreneur’s passion is especially experienced when the entrepreneur engages in entrepreneurial activities that are associated with their entrepreneurial role (Cardon et al., 2009; Gorgievski et al., 2014; Murnieks et al., 2014). Furthermore it is believed that the entrepreneur is able to be passionate for the entrepreneurial endeavour as a whole. This notion is supported by Ho and Pollack et al., 2014 and also by both conceptual and empirical works in the entrepreneurship literature, whereby researchers have acknowledged that the overall role of being an entrepreneur may be the object of passion (Cardon et al., 2013; Murnieks et al., 2014) and measuring entrepreneurial passion in reference to that role can be done at almost any entrepreneurial activity, also when pitching
(Murnieks et al., 2012). However, it is believed that the entrepreneur still has the choice to not use passion in his word choice. Also the question remains if the crowd is also influenced by passion. The theory of emotional contagion provides the first suggestion that it does assuming that the crowd can relate to the entrepreneur.

This theory supports the assumption that passionate entrepreneurs at pitches, will evoke a concordant affective reaction among part of the audience. This will trigger passion in the part of the crowd that shares the same goals and values. They are then expected to be more likely to fund the entrepreneur. The reason for this argumentation is that entrepreneurs who use passion in their videopitches are beaming positive passionate feelings in words, attitude, etc. and that due to the human tendency that urge the audience to mimic these feelings (Hatfield 1994; Heider, 1958), they also get passionate about the project and this triggers them to support the project with funding.

In addition, literature has already found that a specific crowd, employees in that particular study, can perceive passion of their firm’s entrepreneur through his/her passionate animated facial expression, energetic body movements and rich body language (Breugst et al., 2012). This research also used the theory of emotional contagion to explain their findings. Based on this study it is assumed that the theory can also be used in this thesis and also their finding (employees can experience the entrepreneurs passion) supports the argumentation of this thesis that an audience, such as a crowd on crowdfunding, is capable of experiencing the entrepreneurs passion.

However, it is even more important to know if passion influences funding. Previous literature already took a closer look at the impact of passion on the entrepreneur’s funding potential. A study performed by Chen et al., 2009 looked at the display of passion and if this influences venture capitalists to fund ventures. They also believed that passion manifests in facial expression, body movement, tone of voice and nonverbal cues. Although it did influence funding, it was not significant.

Mitteness et al., 2012 focused specifically on angel investors and perceived passion. They found a positive significant relationship between perceived passion and funding potential for angel investors, after controlling for the strength of the business idea. This finding adds to the growing body of evidence that the expression of passion by an entrepreneur influences the likelihood of receiving funding.

To summarize, there is an abundant amount of literature available that argues and proves the influence of passion on the entrepreneur’s behaviour (Cardon et al., 2012; Murnieks et al., 2014; Gielnik et al., 2015). In addition, research showed that the environment of an entrepreneur can experience its passion and is influenced by it (Breugst et al., 2012; Cardon et al., 2009; Patel et al., 2015). More importantly, there are also findings that funders can experience passion of an entrepreneur when pitching their idea for funding and this has a positive effect on getting funded (Mitteness et al., 2012).

Based on these notions two hypotheses are developed. The first hypothesis is stated very general and is researched in order to find if there is any relationship between passion and funding in crowdfunding pitches. In this hypotheses it is researched if the sole use of passion (used or not used) increases the amount of fund received by the entrepreneur. This argumentation is based on the findings by Mitteness et al. (2012), which already showed that, although in another context, passion positively influences funding.
Furthermore it is argued that an entrepreneur, although always driven by passion, still has a choice to use passionate words in his/her pitch and if he/she decides to incorporate it in the videopitch, he/she will get more funded than an entrepreneur that do not use passionate words.

**Hypothesis 1:**
An entrepreneur who uses passion in crowdfunding videopitches gets more funded than an entrepreneur without passion.

The second hypotheses researches what kind of relationship can be found between the two variables (e.g. logistic or linear relationship). The funding variable is different from the first hypotheses because it will not be researched if an entrepreneur will get more funded when passion is expressed, but there will be researched if an increase of passion expression increases the chances of getting successfully funded. In this hypothesis, successfully getting funded is defined as reaching the minimum funding goal and it can be achieved or not (binary). The other variable, the passion, is measured discrete.

**Hypothesis 2:**
An increase of expressed passion by the entrepreneur in crowdfunding videopitches is positively influencing the chances of getting successfully funded.

5.1. Defending the hypotheses
During the construction of this study several aspects surfaced that could be used to criticize this study. In order to restrain the critique, several aspects that could be the target of criticism will be discussed.

It can be argued by critics that obsessive passion has different effect on the behaviour of entrepreneurs and that it is also perceived differently by the funder. Some argue that it will have negative effects on getting funding as well. However, literature found evidence that obsessive passion has negative effects with other aspects of the person’s life, not directly on the likeliness of getting funded by the entrepreneur during pitches (Vallerand et al., 2003; Forest et al., 2011). Therefore it is not likely that this obsessive passion will have another effect on the funders than harmonious passion, supporting our research set up which does not make a difference between the two.

However, it is said that obsessive passion can evoke emotional exhaustion, decreased mental health and negatively influence the well-being of the entrepreneur (Ho and Pollack, 2014; Thorgren and Wincent, 2015; Patel et al., 2015). It would come as a surprise, to this author, if this does not affect the entrepreneurs work in any way. However, at the early funding stage which can be seen as a part of the entrepreneurs work, it is highly unlikely that obsessive passion has already an effect on the entrepreneur since the negative affects are experienced over a longer period of time.

In addition, literature argues that obsessive passion is more common among serial and portfolio entrepreneurs and not among novice entrepreneurs (Thorgren and Wincent, 2015). Especially on crowdfunding sites most of the campaigns posted are launched by new entrepreneurs since only 12% of them launch a second project (Gallagher et al., 2015). Both arguments are supporting the research design to not correct for the effect of obsessive passion due to its non-significance.
Methodology
In this chapter the thesis process and the methodological outline will be described. It entails all the content that is necessary in order for future research to perform the study again and explains why certain decisions were made. It incorporates an description of the material used, the analysis and quality check.

Scientific approach
In this study there is looked at the relationship between the two variables, funding and passion. Based on theory about passion and funding two hypotheses have been developed and these hypotheses will be tested. Such an approach is called deductive.

Analysing texts by searching for specific words has been done before. Social scientists have studies the links between language and social behaviour for decades. To give an example, Gilbert et al., 2010 found that emotions expressed via language even act as good predictors of future stock market prices, where emotions were estimated from blog posts. Others demonstrated that certain words and phrases predict whether a corporate email will be sent up or down the organizational hierarchy (Gilbert, 2012).

Recently a study done by Mitra et al. (2014) followed the same line of thinking and identified several phrases which signal successful crowdfunding. They counted how many times certain phrases were used in their sample that was divided into two groups, funded or not funded. Their findings showed that the language used in the project has predictive power. In line with this study, this research also counts how many times a certain word is used in videopitches.

Literature will be used to extract words that are signalling passion. The coding words should be related to passion since this is the variable we are looking for. Additional code words were added that were synonyms of these words, or words that were closely related to passion like adverbs and adjectives (for more information see coding section). An example of such a related word was ‘excellent’; such a word can be used as an expression of a positive feeling which is related to passion.

After selecting the words, the pitch texts were analysed by the computer software NVivo which went through the text and counted the times it crossed words that express passion. Thereby it transformed the qualitative data into quantitative data. This data was then analysed by statistics using SPSS in order to test the hypotheses.

Material
This empirical study draws upon a large sample of crowdfunding projects from FundedByMe in diverse areas (e.g. cultural, biotech, food). As the data collection used for this study concerns original and real applications submitted by individuals applying for funding of their entrepreneurial project, it also suggest that the data are reliable and trustworthy (Bryman and Bell, 2011; Saunders et al., 2009; Wrench, 2008).

FundedByMe is the largest and most well-known platform operating in the Nordic region and was founded in 2011 (Ingram & Teigland 2013). On the crowdfunding site there are different models available; equity, credit and reward-based campaigns (where donation-based campaigns are included). Furthermore, the site uses an all-or-nothing approach and this means that projects need to reach their minimum funding goal or the funding goal in order to get the funds from the funders.

The data from FundedByMe was acquired with the support of Segelmark and Ociecek. In total the data file from FundedByMe contained 817 crowdfunding projects that started between April 2012 and February 2014. In this file the following information was included: the project’s number, the project’s name, description, minimum funding goal, total funding goal, total funded amount, number of backers,
pitch text, optional attached images and links to video pitches (see table 1). However, information about the gender of the entrepreneur, if it was founded by a team or single person and if the project aimed for non-profit or profit, was not included. This information could easily be retrieved on the FundedByMe website.

**Table 1 Crowdfunding project descriptives**

<table>
<thead>
<tr>
<th>Description</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project number</td>
<td>All projects are identified by a unique ID number</td>
</tr>
<tr>
<td>Name</td>
<td>All projects have a name or a title</td>
</tr>
<tr>
<td>Description</td>
<td>All projects have a short description</td>
</tr>
<tr>
<td>Written pitch</td>
<td>All projects have a longer pitch text</td>
</tr>
<tr>
<td>Category</td>
<td>All projects belong to certain categories (e.g. Food, Education, Technology)</td>
</tr>
<tr>
<td>Country</td>
<td>All projects list in what country the project is based</td>
</tr>
<tr>
<td>Minimum funding goal</td>
<td>Some projects have a minimum goal in addition to their funding goal, the threshold. This is the least they have to collect in order to get any money at all. Some projects set the minimum funding goal to zero.</td>
</tr>
<tr>
<td>Funding goal</td>
<td>All projects have a funding goal, stating how much funding they need in order to realize their business idea or project. If there is no minimum funding goal, the funding goal is the amount that has to be collected by the end of the campaign in order for the entrepreneurs to get any money at all.</td>
</tr>
<tr>
<td>Funded</td>
<td>The amount of funds collected by the end of the campaign.</td>
</tr>
<tr>
<td>Funding level</td>
<td>The percentage of the funding goal that has been raised.</td>
</tr>
<tr>
<td>Number of backers</td>
<td>The number of funders that donated or invested in the project.</td>
</tr>
</tbody>
</table>

The next step in the data analysis was to eliminate the pitches that did not incorporate a videopitch. This choice was made because this study only analyses the videopitches. This decision was made because studies show that videopitches are seen as a very important aspect of a crowdfunding site and it also increases the project’s funding potential (Greenberg et al., 2013). Next to a videopitch, all the projects have an explanatory text that among others explains the goal of the project. There could also have been chosen to analyse these texts but these texts are less suited since there can not be guaranteed that the entrepreneur itself has been involved. Therefore only the videopitches have been analysed.

After having eliminated all the projects without a videopitch, 390 crowdfunding projects remained. Some of the videos were not working or of bad quality and were therefore deleted as well. This resulted in 72 videos less. In addition, two more projects were excluded because of one of them the funding goal was zero and the other aimed for developing a product that could not be developed. The latter was done because the projects reached its project goal by default and this was not seen as representative for the rest of the sample size. This resulted in 316 videos.

The next step was analysing the content of the videos. Of these 316 videos, 127 did not include voice and were therefore excluded as well. When analysing the language, it turned out that 126 videos were not in English but in Swedish or another language. Therefore they were eliminated as well. This resulted in a total of 63 pitch videos that could be analysed.

The last deletion concerned the minimum funding goal. During the analyses, there will be looked at the minimum funding goal of the projects. Seven of the projects values were zero. Since the chance of getting successfully funded is very high in these samples, they are not seen as representative for the rest of the sample size and were therefore left out. This resulted in the deletion of 7 more videos.
Table 2 Sample selection

<table>
<thead>
<tr>
<th>Initial number of projects</th>
<th>817</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deleted entries, no video</td>
<td>427</td>
</tr>
<tr>
<td>Deleted entries, page/video gone</td>
<td>72</td>
</tr>
<tr>
<td>Deleted entries, funding goal 0 or impossible product</td>
<td>2</td>
</tr>
<tr>
<td>Deleted entries, no voice</td>
<td>127</td>
</tr>
<tr>
<td>Deleted entries, other language</td>
<td>126</td>
</tr>
<tr>
<td><strong>Deleted entries, total</strong></td>
<td><strong>754</strong></td>
</tr>
<tr>
<td><strong>Total number of projects remaining</strong></td>
<td><strong>63</strong></td>
</tr>
<tr>
<td>Deleted entries, zero minimum funding goal</td>
<td>6</td>
</tr>
<tr>
<td><strong>Total number of projects analysed</strong></td>
<td><strong>57</strong></td>
</tr>
</tbody>
</table>

**Funding variable**

Two different statistical tests will be performed in order to test both hypotheses, for more information about the specific choice, see statistics section. Both tests require a different funding variable input. In order to test the first hypotheses, a nonparametric test is performed. In this test, funding is called the test variable. It is continuous and measured as the amount of acquired funding as a percentage of the minimum funding goal of the project.

To test the second hypotheses, a binary logistic regression model will be performed. A binary logistic regression requires a binary input of the dependent variable. The dependent variable (also known as the outcome variable) is related to one or several independent variables and indicates whether they have an effect or not (Salkind, 2012). In this research the dependent variable is funding.

Funding has to binary in order to can be used in a binary logistic regression test. Therefore there is looked at if a project has been successfully funded or not. It is argued that a project is successfully funded if the project reaches or exceeds its minimum funding goal (coded as 1). The alternative outcome is the following: the project is not successfully funded (coded as 0). In this case, the project does not reach its minimum funding goal.

It is argued that funding has been successful if the minimum funding goal of the project is reached. This decision was made because the funder will get the funds when the minimum funding goal of the project is reached, therefore it is argued that at this moment the project is already successful. The rest is just bonus for the entrepreneur.

**Passion variable**

Passion is measured by counting the amount of words used that are related to passion. In the first hypotheses that will be tested with the nonparametric test, passion is the grouping variable. A project uses passionate words, or it does not. Therefore there are only two groups.

In the second hypotheses, a binary logistic regression will be used to test the hypotheses. In this test, passion is the independent variable. The creation of independent variables includes “the process of systematic observation and assignment of numbers to phenomena according to rules” (Wrench, 2008: 167). Videopitch texts that had more words related to passion were seen as more passionate. More information about the process that led to these code words can be read in the coding section.
Data analyses
The data in this study was analysed in three steps. First a coding scheme was made based on the literature, second with the help of computer software the data was analysed, third logistic and linear regressions were performed.

Coding
As described in the scientific approach section, coding will be used in order to identify the occurrence of passion in the video pitches. The occurrence of the word passion, its synonyms, alternative expressions and related words that captured and reflected its essence and meaning were identified based on literature (Strauss and Corbin, 1999). In addition, all these words the adverbs as well as adjectives were searched for in the text (e.g. amazing, amazed and amazes).

The words were based on definitions that are used in literature in order to construct a coherent set of words, synonyms and expressions. Central in the literature describing passion was the work done by Cardon et al. (2009) and Vallerand (2003). Cardon et al., 2009 constructed a conceptual framework which became a starting point for a lot of the academic studies with the aim to understand the role of passion in entrepreneurship. The contribution of Vallerand (2003) has been widely used to define passion towards activities.

Both are used in this study as starting point due to their significant presence and usage in literature. In addition work of other scholars was used as additional sources, such as Ho et al. (2011), Ho and Pollack (2014), Baum and Locke (2004), Philippe et al. (2010) and Thorgren (2015). By drawing upon all these scholars passion is defined and words that express passion were identified.

In addition, strong positive intensifiers were added to the coding scheme. This was done because passion is seen as an intense positive emotion (Cardon et al., 2009) and an intensifier is a word that is used to add force to another adjective, verb, or adverb. Thereby it increases the emotional content of a text (Cambridge university press, 2016). These strong positive intensifiers were believed to be used by the entrepreneur to show the entrepreneur’ passion during their pitches. The used intensifiers are listed in table 3.

<table>
<thead>
<tr>
<th>Fabulous</th>
<th>epic</th>
<th>excellent</th>
<th>brilliant</th>
<th>splendid</th>
<th>breathtaking</th>
</tr>
</thead>
<tbody>
<tr>
<td>ideal</td>
<td>awesome</td>
<td>fabulous</td>
<td>magnificent</td>
<td>superb</td>
<td>super</td>
</tr>
<tr>
<td>thrilling</td>
<td>unreal</td>
<td>astonishing</td>
<td>noteworthy</td>
<td>outstanding</td>
<td>spectacular</td>
</tr>
<tr>
<td>fantastic</td>
<td>incredible</td>
<td>unbelievable</td>
<td>marvellous</td>
<td>terrific</td>
<td>remarkable</td>
</tr>
<tr>
<td>impressive</td>
<td>phenomenal</td>
<td>sublime</td>
<td>exceptional</td>
<td>glorious</td>
<td>outstanding</td>
</tr>
<tr>
<td>staggering</td>
<td>stunning</td>
<td>amazing</td>
<td>fascinating</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

After the extraction phase, the extracted words were looked at more closely. Some of the words could be linked with passion but also had other meanings that were not related to passion. Therefore these words were deleted. An example is the word ‘like’. It appeared during the extraction phase but has alongside the meaning of ‘be fond of’ also the meaning of ‘similar’ and ‘choose’ (Thesaurus, 2016). Due to the multiple meanings of the word it was deleted from the codes.

In order to ensure that all the words that express passion are incorporated in the scheme, ten randomly picked samples were analysed in order to find words that are related to passion, but missed by literature. All the selected words that should indicate passion were discussed extensively with the
thesis supervisor to ensure that the words, synonyms and expressions were legitimate and conveyed the right meaning (Conte, 2015).

In the following table the words that were directly extracted from the literature are shown. The synonyms of these words were searched with the help of an online synonym search machine called ‘Thesaurus’ (http://www.thesaurus.com/). More in-depth information about the definitions and extracted words can be found in appendix A.

Table 4 Coding words extracted from literature

<table>
<thead>
<tr>
<th>passion</th>
<th>passionate</th>
<th>meaningful</th>
<th>stimulation</th>
<th>salient</th>
</tr>
</thead>
<tbody>
<tr>
<td>intense</td>
<td>positive</td>
<td>motivation</td>
<td>inclination</td>
<td></td>
</tr>
<tr>
<td>longing</td>
<td>spirit</td>
<td>joy</td>
<td>engage</td>
<td></td>
</tr>
<tr>
<td>important</td>
<td>excite</td>
<td>value</td>
<td>energy</td>
<td></td>
</tr>
<tr>
<td>liking</td>
<td>elation</td>
<td>salient</td>
<td>desire</td>
<td></td>
</tr>
</tbody>
</table>


Content analysis
For the content analysis the computer software NVivo was used. The procedure was as follows; the word labels and their synonyms that were constructed during coding were uploaded in to the software. Based on these words NVivo did a quantitative analysis.

Statistics
The output of NVivo was used to perform statistics. In this study, the two hypotheses will be tested by two different statistical tests. The first hypothesis will be analysed by a nonparametric test and uses funding as a metric value while the second hypothesis will be researched by a binary logistic regression and requires a binary funding variable. Both will be explained below.

Hypothesis 1: Nonparametric test
The first statistical test that will be done is a nonparametric test. This test compares the means between two unrelated groups on the same continuous, test variable. In this study it will compare the means of the group that expressed passion and the group that did not express passion on the funding variable.

Before a nonparametric test was performed, the study aimed to do an independent sample T-test. However for an independent sample T-test six assumptions have to be met. Most of these assumption could be met but one could not which was the following assumption; the dependent variable should be approximately normally distributed for each group of the independent variable.

Both groups (passionate and not passionate projects) were tested for normal distribution but showed not to be, see fig 2 and 3. Therefore several variable transformations were performed but none resulted in a normal data distribution. Thus a t-test could not be performed and a nonparametric test was performed instead.
A nonparametric test was performed since such a test relies on other assumptions (e.g. does not assume that the outcome is approximately normally distributed). This comes at a cost since nonparametric test have less power than their parametric counterparts. However it is the only alternative for data sets that do not meet the required assumptions of other tests. In this study the nonparametric alternative of the independent sample T-test is used; the Mann-Whitney U test.

The Mann-Whitney U test is used to compare two population mean ranks (passionate and not passionate pitches) from the same population (the sample). With such a test it is tested whether two population mean ranks are significantly different from each other or not. Before the test can be performed three assumptions should be met. These have all been met (see table 5).

**Table 5 Mann-Whitney U assumptions & fulfilment**

<table>
<thead>
<tr>
<th>Assumption</th>
<th>Fulfilled</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assumption 1</td>
<td>The sample drawn from the population is random.</td>
</tr>
<tr>
<td>Assumption 2</td>
<td>Independence within the samples and mutual independence is assumed.</td>
</tr>
<tr>
<td>Assumption 3</td>
<td>Ordinal measurement scale is assumed.</td>
</tr>
</tbody>
</table>

**Test variable**

In the non-parametric test, a continuous funding variable should be used. In order to make the different amount of funding received generalizable and comparable between the different projects, the following variable is used to depict funding: the amount of funding as a percentage of the minimum funding goal which can be depicted as followed:

\[
\text{Percentage of minimum funding goal (\%mfg)} = \frac{\text{Amount of funding}}{\text{minimum funding goal}}
\]
**Grouping variable**

The grouping variable in the Mann-Whitney U test is passion. Either the projects use passion in their videopitch (1) or they do not (0). Based on these two outcomes, the data can be divided in two groups. The Mann-Whitney U test will test if both groups are significantly different from each other.

**Hypothesis 2: Logistic regression**

Logistic regression is a particular form of regression that is designed to predict and explain the relationship between a dependent categorical/binary variable (successfully funded or not) and an independent continuous or discrete variable (amount of passion) (Bryman and Bell, 2011; Saunders et al., 2009).

Such a regression is suitable for this study since the dependent variable is binary while the independent variable is discrete which matches the requirements for a logistic regression. In addition, a binary logistic regression model allows to incorporation of control variables in order to rule out interference from any other factors than the independent variable on the dependent variable. Which is necessary since this study has found several variables that needs to be controlled for.

Also a logistic regression does not require many of the assumptions that a linear regression needs, such as linearity. However, some assumptions have to be met when conducting a logistic regression. These assumptions and how they are met are explained in table 6.

**Table 6 Assumptions of a logistic regression & fulfilment**

<table>
<thead>
<tr>
<th>Assumption 1</th>
<th>Fulfilled</th>
</tr>
</thead>
<tbody>
<tr>
<td>Binary logistic regression requires the dependent variable to be binary and coded so that 1 represents the desired outcome.</td>
<td>Fulfilled - Our dependent variable is measured binary (minimum funding goal reached = 1, not reached = 0).</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Assumption 2</th>
<th>Fulfilled</th>
</tr>
</thead>
<tbody>
<tr>
<td>The model should be fitted accordingly and only the meaningful variables should be included.</td>
<td>Fulfilled - A bivariate correlation analysis was conducted and only the independent variable(s) that showed significant correlation with the dependent variable were included in the regression.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Assumption 3</th>
<th>Fulfilled</th>
</tr>
</thead>
<tbody>
<tr>
<td>The independent variables should be independent and have little or no multicollinearity.</td>
<td>Fulfilled - Only 1 independent variable was used and thus no risk for multicollinearity.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Assumption 4</th>
<th>Fulfilled</th>
</tr>
</thead>
<tbody>
<tr>
<td>Binary logistic regression requires quite large sample sizes, at least 10 cases per independent variable.</td>
<td>Fulfilled - Our sample contains more cases than 10 per independent variable (n=57).</td>
</tr>
</tbody>
</table>

**Dependent variable**

Regarding the dependent variable, there can only be two outcomes; getting successfully funded or not. It is argued that a project is successfully funded if the project reaches or exceeds its minimum funding goal (1), if it does not it is seen as unsuccessful (0). This decision is made because the funder will get the funds when the minimum funding goal of the project is reached, therefore it is argued that at this moment the project is already successful. The rest is just bonus for the entrepreneur.

**Independent variable**

The independent variable is passion. It is measured by the amount of passionate words used by the entrepreneur in the videopitches. If the entrepreneur uses only one word it is noted as ‘1’, if he used two it is ‘2’, with three it is ‘3’, etc.
Control variable

In this study several control variables were identified. These variables should be controlled for when testing the second hypothesis using a binary logistic regression in order to correct for their possible effect on receiving funding. In total 3 control variables were identified.

Gender of applicant

Research showed that gender could impact the funding potential of a project at crowdfunding sites. To give an example, Frydrych et al., 2014 showed that projects created by a female entrepreneur experienced a higher success rate than males. In order to correct for this effect, one dummy variable was implemented; gender (0= male, 1= female).

At every crowdfunding project the gender was searched for. Most of the projects had listed their founder as campaign owner. Based on the name of the applicant the gender was determined. However, four of the project has listed a group as founder and not a single person. Therefore it was impossible to determine the gender of the founder. These groups were noted as a ‘unknown’ gender.

Project category

Research showed that the category of a project can influence the funding potential of a project at crowdfunding sites. To give an example, Lambert and Schweinbacher, 2010 & Massolution, 2013 found that non-profit projects and projects stating social causes generally perform better. Based on these two categories, the 16 different categories on FundedByMe have been divided in two groups; profit (0) and non profit (1). For more information about the FundedByMe categories, see table 7.

Table 7 FundedByMe categories and categories used in this study

<table>
<thead>
<tr>
<th>FundedByMe categories</th>
<th>Study categories</th>
</tr>
</thead>
<tbody>
<tr>
<td>Media and Entertainment, Fashion, Design, Education, Technology, Energy, Healthcare, Food and Beverage, Fitness, Sports, Finance, Consumer products, Real estate, Services, Retail, Other</td>
<td>Profit or non-profit</td>
</tr>
</tbody>
</table>

A project is categorized as ‘profit’ if its main objective is to be profitable. Projects were categorized as non-profit projects if they were dedicated to a particular social cause or advocating for a particular point of view, or if its profit is put back into the project in order to further achieve its purpose or mission, rather than distributing its profit to the organization's shareholders. Also projects that fall under the category ‘art’ were seen as non-profit projects.

The process of categorizing the projects as profit or non-profit has been done in two fold. The entire population has been categorized in profit or non-profit and in a second round the same was done again. Any difference was noted and looked into more in-depth and this was followed by a final categorical decision.

Entrepreneurial team

Research showed legitimacy can be supported by providing information of the entrepreneurial team in both crowdfunding and traditional funding (Zimmerman and Zeitz, 2002; Baum and Silverman, 2004). Research done by Frydrych et al., 2014 found that funders at crowdfunding sites look at the team composition as well in evaluating the business idea. Their data showed that projects with pairs and teams demonstrated much higher success rates than projects with individuals. Therefore the
entrepreneurial team should be controlled for. This will be done by adding one dummy. The entrepreneurial team being individuals (0) or teams (1).

In order to know if a project was set up individually or by a team, the crowdfunding campaigns sites of every projects was looked at. At these projects, the tab ‘campaign owner’ usually listed the members that were in the entrepreneurial team. However, sometimes there was only listed one person while in the description of the project, multiple names were noted or the text was written in plural form. If this was the case, the project was said to be led by a team as well.

**Data quality**

In order for a research paper to be valid and repeatable, a quality check should be performed. Such a check involves analysing the reliability and validity of the data. Reliability issues can arise from ambiguity of word meaning, category definitions or other coding rules (Morris 1994). These issues have been treated with by some extend by peer reviewing the coded words with an external party. Also because a computerized software system called NVivo was used to do the analyses, the reliability issue has been minimized.

However, one aspect that impedes the reliability of the results remain. This is caused by using coding in the methodology. Coding relies on words and synonyms that are related to a certain theme, in this study passion. However, the specific words that are related to passion are picked by the researcher based on literature. Literature has provided the researcher with several definitions which already contain a lot of words that are related with passion. However, the specific words are chosen by the researcher. It is therefore biased and the chosen words can vary between researchers.

The next check concerns the validity and has two aspects; internal and external. Internal validity relates to the relationship between the dependent and independent variable (Bryman & Bell 2011). For internal validity this relationship should have a causal relationship. Which means the following: 1) that the cause precedes the effect, 2) the cause and the effect are related (covariation) and 3) that there are no other plausible explanations for the observed covariation (no spuriousness) (Shadish et al., 2002).

In this study there is a casual relationship due to how crowdfunding sites work. First the campaign is put online, the video is watch by the funder and only then will the funder decide to fund or not. Due to this strict step order and no possibility of alternating the steps, it can only be in this order.

In terms of the external validity, this the confidence for which an inference regarding a causal relationship can be generalized across different types of persons, settings, and times (Cook & Campbell 1979). Since the dataset was extracted from a well-known crowdfunding platform, the platform itself was a valid pick. Also because only English videos were analysed, it is more likely that the projects will also be addressed at other platforms around the globe. These aspects add to the external validity.
Results
This results section will show the findings of this study. It is comprised of a description of the sample, the NVIVO scores and the tests of both hypotheses.

Samples
The 57 projects had varying subjects and comprised both profit and non-profit projects and comprised a wide array of categories. Some of the categories are art, charity, internet and technology and entailed photo, writing, music, education, gaming or internet startups.

In total 19 projects got successfully funded (reaching or exceeding the minimum funding goal) and 38 projects did not. In addition, 40 projects consisted of a team while 15 were founded by a single entrepreneur and for one project the founder could not be found. In addition 19 projects were founded by a female, 34 by a male and of 3 projects the gender of the founder could not be found. Regarding the project categories, 31 were non-profit and 26 profit projects (see table 8).

Table 8 Sample details

<table>
<thead>
<tr>
<th>Funded</th>
<th>Team</th>
<th>Gender</th>
<th>Categories</th>
</tr>
</thead>
<tbody>
<tr>
<td>Successful</td>
<td>Not</td>
<td>yes</td>
<td>male</td>
</tr>
<tr>
<td>19</td>
<td>38</td>
<td>40</td>
<td>35</td>
</tr>
<tr>
<td>successful</td>
<td></td>
<td>single</td>
<td>female</td>
</tr>
<tr>
<td></td>
<td></td>
<td>16</td>
<td>19</td>
</tr>
<tr>
<td></td>
<td></td>
<td>unknown</td>
<td>unknown</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>3</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>26</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>non-profit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31</td>
</tr>
</tbody>
</table>

NVivo scores
The first step in the analyses part was running the NVivo program. The program analysed the 57 projects and screened for 68 code words. 34 of them were directly extracted from literature and the other 34 were positive intensifiers. In total 86 times words that coded for passion were found in the total population and two observations had the highest diversity in passionate words (n=6). Other descriptive findings can be found below in table 9.

Table 9 NVivo output

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total amount of codes in entire</td>
<td>86</td>
</tr>
<tr>
<td>sample size</td>
<td></td>
</tr>
<tr>
<td>Highest amount of codes in one sample</td>
<td>10</td>
</tr>
<tr>
<td>Highest diversity in code words</td>
<td>6</td>
</tr>
<tr>
<td>Projects without passion</td>
<td>26</td>
</tr>
<tr>
<td>Projects with passion</td>
<td>31</td>
</tr>
<tr>
<td>Highest % of minimum funding goal</td>
<td>359</td>
</tr>
<tr>
<td>Lowest % of minimum funding goal</td>
<td>0</td>
</tr>
</tbody>
</table>

Relationship between passion and funding success.
In the next section the statistics results will be shown. Two tests have been done and these will be discussed separately. In addition a plot will be shown that visualized the NVIVO results.
Hypothesis 1
In the following section there will be tested if there is a difference in one variable (funding) across two groups defined by another variable (passion) which is tested by conducting a Mann-Whitney U analyses.

Plot
The first step of the statistics concerned plotting funding against passion. Funding was incorporated into the plot as the amount of funding as percentage of the minimum funding goal (mfg), as described in the method section. This plot showed that no direct relationship could be directly extracted from the amount of passion used and the percentage MFG. Previous plans of testing a linear relation between the variables were after this plot also cancelled.

Figure 4 Sample distribution.
Funding as percentage of maximum funding goal is plotted against the amount of passionate words counted.

The plot also suggested that most of the samples did not contain any passionate words and that the sample that uses the highest amount of passionate words (passion counted= 10) did not get the highest amount of funding percentage.

Figure 5 Boxplot of funding as percentage of the minimum funding goal, plotted for passionate and not-passionate projects

When plotting the acquired fund as percentage of MFG against the two independent variable groups, passion and no passion used, the study found that apart from 4 outliers, projects without passion do not reach the minimum funding goal (which is the 100% percentage mfg point). Projects that did use passion can get 100% funded and more.
Mann-Whitney U

Since the data acquired after performing the NVIVO program did not resulted in an outcome that is approximately normally distributed, a nonparametric Mann-Whitney U test was performed. Such a test works by ranking each score, calculating the mean ranks of both group and testing both mean ranks for statistical significance. The mean ranks of both groups can be found in table 10.

Table 10 Mean ranks for both independent groups.

<table>
<thead>
<tr>
<th>Passion _yn</th>
<th>N</th>
<th>Mean Rank</th>
<th>Sum of Ranks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage_mfg</td>
<td>0</td>
<td>26</td>
<td>24.65</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>31</td>
<td>32.65</td>
</tr>
<tr>
<td>Total</td>
<td>57</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The table above indicates which group can be considered as having the higher funding percentage, overall. The rank average of the funding percentage of the non-passionate group was 24,65, while the projects in the passionate group had a funding percentage rank average of 32,65. This indicates that the passionate group has the highest funding rank average.

An examination of the findings in table 11 reveals the results of Mann Whitney U test for the funding percentages of the projects in the passionate and not passionate group. From this data, it can be concluded that the funding percentage did not significantly differ between the two groups (Z=-1.825; U = 290; p = .068 >.05).

Based on this non-significance it cannot be argued with a high degree of confidence (better than 95 percent certainty) that the relationships found in our sample between the use of passion and getting more funded, will hold true in the population as a whole because there is more than a .05 chance that the observed relationship is due to chance. Therefore the hypothesis cannot be supported.

Hypothesis 2

In the following section it will be tested if the usage of passionate words increases the chances of getting successfully funded. This hypothesis is tested by conducting a binary logistic regression analysis.

Logistic regression

The second hypothesis will now be tested. The hypothesised was that the usage of passionate words increases the chances of getting successfully funded. A regression model can test this hypothesis since it can predict and explain the relationship between the binary variable funding and the independent metric variable of passion.
The Model Summary in table 12 shows how much variation in the outcome is explained by the model with the independent and control variables incorporated. The closer the Nagelkerke’s R² value is to 1, the better the model is in explaining the variation in the dependent variable. This finding suggests that the four variables (gender, team, project category and funding) in the logistic model accounts for approximately 8% for why a project gets successfully funded or not. In other words, passion can explain or predict together with the control variables for 8% if a project gets successfully funded. If the control variables are not incorporated in the logistic model, the Nagelkerke pseudo R-squared statistics is 0,011. Explaining even less variance.

Table 12 Model summary results.

<table>
<thead>
<tr>
<th>Step</th>
<th>-2 Log likelihood</th>
<th>Cox &amp; Snell R² Square</th>
<th>Nagelkerke R² Square</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>64,806a</td>
<td>.057</td>
<td>.079</td>
</tr>
</tbody>
</table>

a. Estimation terminated at iteration number 4 because parameter estimates changed by less than .001.

The classification table (table 13) shows how accurate our model is. The key piece of information is the overall percentage in the lower right corner which shows our model (with all control variables) is 68,4% accurate; which is not that good and only a slight increase compared to the null model (which was 66,7% but not shown in this paper).

Table 13 Classification table of the model

<table>
<thead>
<tr>
<th>Observed</th>
<th>Predicted</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Funded</td>
</tr>
<tr>
<td></td>
<td>0 1</td>
</tr>
<tr>
<td>Step 1 Funded</td>
<td>0 38 0</td>
</tr>
<tr>
<td></td>
<td>1 18 1</td>
</tr>
<tr>
<td>Overall Percentage</td>
<td></td>
</tr>
</tbody>
</table>

a. The cut value is ,500

The last table (table 14) that needs to be discussed is the Variables in the Equation table. In this table, the control variables and their effect are visualized. The table shows how much each variable (passion, category, team and gender) contributes to variations in the dependent variable when controlling for other variables and also shows if the results are significant.

The table shows that after controlling for the other variables, being an entrepreneur without a team decreases the likelihood of successfully getting funded by 0,981 times. However, being a profit category increases the likelihood of successfully getting funded by 1,587 times. Also being a male
increases the likelihood of successfully getting funded by 2,412. Regarding passion, for every one unit increase of passionate words in a entrepreneurs videopitch, the likelihood of getting successfully funded increases slightly (by 1,056 times) after controlling for the other factors in the model.

Table 14 Variables in the equation details

<table>
<thead>
<tr>
<th>Step 1a</th>
<th>B</th>
<th>S.E.</th>
<th>Wald</th>
<th>df</th>
<th>Sig.</th>
<th>Exp(B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passion_counted</td>
<td>.054</td>
<td>.133</td>
<td>.164</td>
<td>1</td>
<td>.685</td>
<td>1.056</td>
</tr>
<tr>
<td>Profit_nonprofit</td>
<td>.462</td>
<td>.622</td>
<td>.553</td>
<td>1</td>
<td>.457</td>
<td>1.587</td>
</tr>
<tr>
<td>Team</td>
<td>-.019</td>
<td>.703</td>
<td>.001</td>
<td>1</td>
<td>.978</td>
<td>.981</td>
</tr>
<tr>
<td>Gender</td>
<td>.880</td>
<td>.697</td>
<td>1.596</td>
<td>1</td>
<td>.207</td>
<td>2.412</td>
</tr>
<tr>
<td>Constant</td>
<td>-1.563</td>
<td>.713</td>
<td>4.800</td>
<td>1</td>
<td>.028</td>
<td>.210</td>
</tr>
</tbody>
</table>

a. Variable(s) entered on step 1: Passion_counted, Profit_nonprofit, Team, Gender.

However, are the variables statistically significant explanations for variations in the dependent variable? The significance statistics in table 14 shows that the answer is no for all the variables since all the variables have a higher p value than 0.05 (p>0.05).

Based on this non-significance it cannot be argued with a high degree of confidence (better than 95 percent certainty) that the relationships found between these variables and the change successfully getting funded in our sample will hold true in the population as a whole because there is more than a .05 chance that the observed relationship between successfully getting funded and these four variables is due to chance. Therefore the second hypothesis that stated that passion was influencing successfully getting funded cannot be supported.
Discussion

Study outline
This study aimed at researching the effect of entrepreneurial passion on getting funding at crowdfunding sites. Previous research had already mentioned the importance of passion for the entrepreneur and society but little was known what the exact effect is of passion on funding at crowdfunding projects (Cardon et al., 2009). Especially at crowdfunding platforms passion was believed to play a big role since the crowd would not have all the resources and knowledge to conduct an in-depth analyses of the projects potential (Chen et al., 2009; Schwienbacher and Larralde, 2010).

The relationship between passion and funding was researched in this study by analysing videopitches from the crowdfunding site FundedByMe on the use of passionate words. In those videopitches, entrepreneurs were pitching their idea, product, service or venture in the hope to get funded by the crowd. It was believed that they would express passion during their pitches since passion is one of the most important drivers of the entrepreneur (Cardon et al., 2009, Chen et al, 2009 Breugst et al., 2011) and is expressed at every entrepreneurial activity (Ho and Pollack, 2014).

Furthermore, previous research and the theory of emotional contagion supported the notion that the funders can be triggered by passion to fund entrepreneurs (Mitteness et al., 2012; Schwienbacher and Larralde, 2010; Heider, 1958). It was now up to this study to investigate if such a relationship could also be found at crowdfunding sites and more specifically, in the type of words used by an entrepreneur.

It was believed, based on the fact that passion has a clear effect on brain and body (Cardon et al., 2009), that passion triggers an entrepreneur to use passionate words during his entrepreneurial activities, such as videopitches. Therefore the content of the videopitches were analysed in this study with the help of NVivo, a text analysis program. NVivo counted the amount of passionate words, which were extracted from literature, used during the videopitches. This data formed the input of the statistical tests which would provide the answer to our research question.

Findings
The statistical tests (Mann-Whitney U and binary logistic regression) showed that there was no statistical significant relationship between the use of passion and getting funded, neither a relationship between the amount of passion used and getting successfully funded. Although no significance could be found, the boxplot (fig. 5) did show that passion can be regarded as a hygiene factor and is positively influencing funding (mean rank was higher for passionate group than non-passionate group).

Although this finding is highly speculative and slightly biased, it should be mentioned because the data in the boxplot seems to suggest it and with a 90% confidence interval, the relationship between the use of passion and getting successfully funded would have been significant (p=0,068<0,1). However, legitimate arguments to adopt this lower statistical threshold can not be provided. The only thing that thus can be said about the positive relationship between passion and funding is that there appears to be a tendency in the data. However, future research should provide answers on the question if this tendency can be statistically sound as well.

Next to these findings, the control variables also showed to have no significant relationship with funding. This is not that surprising since literature only found that the control variables experienced a higher success rate. The project aspects that according to literature should enhance the project’s success are; an entrepreneurial team, female founder and being a non-profit project (Frydrych et al., 2014; Lambert and Schweinbacher, 2010; Massolution, 2013; Zimmerman and Zeitz, 2002; Baum and Silverman, 2004).
However, what is surprising is the relationship found between profit projects and successfully getting funded ($p=0.457$, $\exp(b)=1.587$). Which means that being a profit category increases the likelihood of successfully getting funded by 1,587 times, which is the exact opposite of what previous literature found. There is no direct explanation for this finding but can be attributed to the small sample size.

Not only can a small sample size cause a type II error, it also impeded the statistical power of the results. However, still more than 50 different projects were used in this analyses which is seen as a valid amount for a nonparametric test and also for a logistic regression test with 3 control variables. Nevertheless a larger sample size is always preferred since the ability to better detect significant differences between groups increases. It could be that the results found in this study change if a larger sample size had been applied. Future research should therefore incorporate a significantly larger sample size in order to provide results with more statistical power and possibly, better results.

Nevertheless the major finding that passion is not significantly influencing funding is seen as surprising. Research done by Ho and Pollack., 2014 for instance, found that passion influences the entrepreneur’s network centrality which indirectly influences the funding potential of the entrepreneur. Also Mitteness and colleagues (2014) found a positive relationship between perceived passion and receiving funding by funders after controlling for the strength of the business idea. Furthermore an abundant amount of literature argued that passion could be an important factor during funds acquisitions (Mitteness et al., 2014; Chen et al., 2009; Cardon et al., 2009; Breugst et al., 2011).

However, several arguments can be thought of that could explain these unexpected findings. First of all it can be argued that passion cannot be captured in words, that passion is more like an energy expressed by body movement, facial expressions and tone of voice. If this is true, than the non-significant relation between funding and passion can be expected. However, the researcher still believes that passion can also be expressed in words because he believes that passion influences the entrepreneurs behaviour on every aspect.

Furthermore, it could be that passion can be expressed through certain words but that the desired effect of passion (triggering funders to fund) will not be triggered solely by using passionate words. It could be that passion will only have a specific effect, if all the different expression routes of passion (e.g. body movement, tone of voice, use of words) are expressed by the entrepreneur. So only being passionate in words in a videopitch, will not result in more funding or getting successfully funded. Future research should focus on all the aspects of passion and see if this is a good predictor of getting funded.

Mitteness et al. (2014) looked already at all the aspects of passion during an entrepreneurs funding pitch. They chose to use questionnaires in order to score the expressed passion of the entrepreneur by using the five-item scale for passion developed by Vallerant et al., 2003. They did find that passion influences getting funded. However, they did not have the crowd as a funder but angel investors. It could be that angel investors are also triggered only by the use of passionate words and that only the crowd needs the full arsenal of ways in order to be triggered to fund. But it could also be true that angel investors are only triggered to fund by passion if they are perceiving the full scale of passionate approaches. If this is the case, future research should perform a similar study with questionnaires but then with the crowd as funder, not angel investors.
Methodology limitation

Although the chosen methodology has its benefits (use of software rules out certain human flaws) and the use of FundedByMe, which is a well-known and representative crowdfunding site, provided us with representative sample, the question might nevertheless arise whether the chosen measures are the most suitable to answers the research question in a fair and truthful manner. It can be argued that the selection of passionate words is a rather subjective method and should be avoided.

It could be that due to this method, the wrong words were selected and the emphasized had to be put more on other words that are better in expressing the passion of the entrepreneur. Due to this selection mismatch, the entrepreneurs did express passion but the projects marked as passionate, were not passionate or the group was incomplete. Of course the other way around is also true, not-passionate entrepreneurs could have been categorized as being passionate while they were not.

This could explain why almost half of the selected projects did not contain any passionate word (n=26). This is a contradicting outcome since the assumption of the researcher was, based on the work of Ho and Pollack (2014), that every entrepreneur should be passionate while performing his/her entrepreneurial role, including pitching. The wrong selection of words that express the entrepreneur’s passion can explain this outcome. It can also be true that, as explained earlier, an entrepreneur expresses his passion not through words. Another explanation could be that an entrepreneur chooses not to use passionate words in his/her videopitch while he/she is passionate about the project.

Previous research has investigated passion in a varying amount of ways and measurements and still there has been decided to go with word labels. The main reason for this decision and not going for questionnaires, which was intensively considered, was the difficulty of reaching the actual crowd that funded the 58 different projects. This would entail contacting more than thousands of funders in order to be able to perform the study. Due to time limitations this could not be done.

Coming back to the choice of using word labels, there is another aspect that should be addressed. A lot of the entrepreneurs in the used dataset were non-native English speakers. This could have impacted their word choice due to their meagre vocabulary. Such a vocabulary could have contained less words signalling passion. Some words as ‘salient, longing, inclination, elation’ are probably less used by non-native English speakers due to their rareness. This could have resulted in weaker results and other statistical outcome. One method that could have diminished this effect was to translate the Swedish videos and thus make it possible to analyse both the Swedish and the English videos. However, this approach was eventually dismissed since an analysis of translated words could easily be misleading or biased if the researcher would be the one choosing the actual words while translating, which would be the case to some extent if the texts were translated from Swedish transcripts to English.

Next to the above listed limitations, there are several control variables that have not been corrected for in this study. These were campaign length (Frydrych et al., 2014) and type of reward (Burtch et al., 2011; Frydrych et al., 2014). The decision was made not to incorporate these because they were hard or even impossible to qualify since the ideal campaign length was unknown and it proved to be impossible to argue which type of reward made sense for the crowd. Future research could look into these control variables and only projects with specific campaign lengths and rewards could be used in the sample, thus ruling out the effect of these control variables.

Implications

However, this researcher hopes to have started a snowball effect. By being the first that looked at the influence of passion on crowdfunding, the researcher wants to urge future research to take the same
aim and prove that the most important driver of an entrepreneur, its passion, is indeed of significant importance for acquiring funding in a crowdfunding context.

In addition, the finding of this study can be used by future research to back up their research focus. Since passion does not show to have a leading effect in crowdfunding sites, it can be argued that future research should focus more on other aspects of a crowdfunding pitch. One of these could be focusing on key quality signals that lead to investment.

Previous research has already identified several of these key quality signals in the traditional investment setting. However, crowdfunding is a very different setting for entrepreneurial fundraising and in this setting it is much less clear how individuals demonstrate quality and how it influences the crowd to fund. Next to this, not only the nature of how entrepreneurs signal quality but also legitimacy, and preparedness is much less defined in the virtual setting of crowdfunding than in traditional new venture settings, and future scholarship into this process may add to existing theory in this important area.

Despite the limitations of this method, and consequently the non-significant results in both tests, the findings do nevertheless suggest that passion positively influences funding. Also based on previous literature, it can still be argued that it has effect of funding. Future research should focus on passion as a whole. Not only analysing the words used by the entrepreneur but also the entrepreneur’s body movement, tone of voice, facial expression and other non-verbal cues. By focusing on these varying aspects of passion expression, a positive significant relationship between passion and funding at crowdfunding platforms will be within reach.
References


Beiske, B, 2007, Research Methods: Uses and Limitations of questionnaires, interviews and case studies, GRIN Verlag


Ingram, C., & Teigland, R. (2013). Crowdfunding Among IT Entrepreneurs in Sweden: A Qualitative Study of the Funding Ecosystem and ICT Entrepreneurs’ Adoption of Crowdfunding. Available at SSRN 2289134


Salkind NJ (2012) 100 questions (and answers) about research methods. London: SAGE.


## Appendix A

<table>
<thead>
<tr>
<th>Literature</th>
<th>Definition</th>
<th>Labelled words</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foundation 1</td>
<td>consciously accessible, intense positive feelings experienced by engagement in entrepreneurial activities associated with roles that are meaningful and salient to the self-identity of the entrepreneur</td>
<td>feeling, meaningful, salient, identity</td>
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<tr>
<td>Cardon et al., 2009, p. 519</td>
<td>the content of “passion” is an intense positive emotion (2) whose empirical referents or objects usually involve venture-related opportunities, tasks, or activities and (3) that has a motivational effect that stimulates entrepreneurs to overcome obstacles and remain engaged.</td>
<td>intense positive emotion, motivational effect, stimulation</td>
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<td></td>
<td>passionate, full of emotional energy, drive, and spirit</td>
<td>energy, drive, spirit</td>
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<td></td>
<td>“intense longing” that one feels for objects or activities that are deeply meaningful to one’s identity</td>
<td>longing, meaningful, identity</td>
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<td></td>
<td>strong inclination toward an activity that people like, that they find important</td>
<td>inclination, like, important</td>
</tr>
<tr>
<td></td>
<td>highly intense and positive, similar to excitement, elation, and joy</td>
<td>excite, elation, joy</td>
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<tr>
<td></td>
<td>engaging them wholeheartedly with what they love</td>
<td>engage</td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th>Foundation 2</th>
<th>Vallerand et al., 2003, p. 757</th>
<th>a strong inclination toward an activity that people like, find important and in which they spend time and energy on a regular basis</th>
<th>inclination</th>
<th>important</th>
<th>like</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional literature</td>
<td></td>
<td>passion as a strong inclination or desire towards an activity that one likes or loves, finds important, and in which one invests time and energy (Vallerand et al., 2003)</td>
<td>Desire</td>
<td>inclination</td>
<td></td>
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<td></td>
<td>Violet 2012</td>
<td>they must have intense liking for the job as well as view the job as personally important to them.</td>
<td>intense liking</td>
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<td></td>
<td>Ho and Pollack, 2014</td>
<td>emotions of love, attachment, and longing</td>
<td>Emotions</td>
<td>attachment</td>
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<td></td>
<td>Consistent with our conceptualization of passion, a recurring theme underlying these and other similar approaches (e.g., Baron and Ward, 2004; Bird, 1989; see also Cardon et al., 2009 for a recent review) is the positive emotions that an entrepreneur has for the entrepreneurial work.</td>
<td>Positive feelings</td>
<td></td>
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<tr>
<td>Klaukien 2013</td>
<td>Passion for work develops when individuals highly value their work activities, enjoy engaging in those activities, and do so on a regular basis (Vallerand et al., 2003)</td>
<td>highly value</td>
<td></td>
<td></td>
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<tr>
<td>Murnieks 2014</td>
<td>a strong desire to engage in certain activities</td>
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<td></td>
<td>intense positive feelings related to the entrepreneurial activities that are meaningful</td>
<td>feeling</td>
<td>meaningful</td>
<td>salient</td>
<td></td>
</tr>
</tbody>
</table>
and salient to the self-identity of the entrepreneur.  

| show strong and positive emotions toward their projects | emotion |  |  |  |