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When Personality Pays: Observer Rating of Personality and Financial Success of Equity Crowdfunded Startups

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This study investigates the value of third-party ratings of personality in investor pitches for predicting the investment intention and successful equity crowdfunding of U.S.-based startups. Based on 1175 ratings of 100 randomly selected investor pitch videos, we find that not only do investors' impressions of entrepreneurs Big Five personality traits predict investment intention but that several of these also predict entrepreneurs' actual crowdfunding success (particularly: openness, conscientiousness and extraversion). The study contributes to our knowledge of the links between (perceived) individual-level traits of the entrepreneur and their ability to finance a venture, a key challenge in the early stages of startups.

Keywords: equity crowdfunding; personality; survey; Five-Factor Model; venture finance; information asymmetry

JEL: D26, D82, D91, G24, G41, L26

Introduction

A key challenge faced by entrepreneurs is financing the venture. Bank loans may be harder to acquire in the current environment of uncertainty regarding interest rates, global supply chain interruptions, and economic slowdowns. For these reasons and others, alternative sources of venture finance are growing quickly in popularity and adoption. With the Jobs Act in 2012 (extended in 2016), equity crowdfunding emerged as an extension to other forms of crowdfunding and an attractive option to raise equity capital within the alternative finance market. In equity crowdfunding, investors in the crowd receive a stake of the firm in exchange for their investment, and minimum investment amounts typically start at 1000 USD, allowing for total target funding amounts in the millions.

Only recently have authors begun to explore the role of perceived personality characteristics of the entrepreneur in crowdfunding (e.g., Thies et al. 2016; Bernardino and Santos 2016; Isaak, Neuhaus, and Bostandzic 2021). While several studies examine the influence of entrepreneurs on crowdfunding success, the link between survey-based approaches and those employing actual investment data remains largely unexplored. Either studies look at information and variables derived from crowdfunding pages or databases (e.g., CrunchBase), or researchers base their work on surveys and experiments conducted with potential crowdfunding investors. The number of studies examining the transferability of such results (e.g., investment intention to actual investment) remains limited. In particular, concerning founder personality, a success factor considered in various studies, no existing research focuses on whether results derived in a questionnaire-based setting (regarding investment intention, e.g., Kim and Hall 2021) allow conclusions concerning actual investments. Our study addresses precisely this gap in the literature and investigates whether the perceived personality of

founders influences the investment intention (surveyed via questionnaire) and whether similar effects can also be observed in the actual crowdfunding context. We, therefore, answer the following questions: (1) which personality cues perceived by third-party raters, impact their investment intention (surveyed) and (2) whether personality traits perceived by the third-party raters also correlate with crowdfunding success (realized capital on crowdfunding platforms)?

In doing so, we expand the literature on founder personality as an investment success factor and the transferability and generalizability of survey results with third-party raters to the context of actual crowdfunding campaigns and related investor behavior.

Through the lens of information asymmetry and signaling theory (Spence 1978), we answer this question based on over 1000 external observer ratings of U.S.-based investor pitch videos and find that a number of these perceived personality cues are indeed predictive not only of investment intention but of actual funding success of the corresponding equity crowdfunding campaigns. Our study makes three contributions to the literature and practice: first, it contributes to our knowledge of the conditions under which personality cues based on pitch narratives are predictive of equity crowdfunding campaign outcomes. Second, by showing that the direction of these effects remains for both dependent variables (investment intention and funding success), we make a methodological contribution to this stream by showing that perceived personality cues based on survey-based investment intentions are a valuable proxy for actual investment volume (i.e., funding success). Finally, by showing the importance of personality signals for the investment intention (and actual equity funding success) of not only people with investment experience but also those without, we emphasize the importance

of these signals for equity crowdfunding, a form of alternative financing that, by its widespread accessibility directly addresses the general population (a.k.a the crowd).

Literature and Hypothesis Development

Information Asymmetry and Signaling

In efficient markets, all participants have all the information available, and asset prices reflect all available information (Fama 1970). In contrast, information asymmetry refers to situations where some economic agents have more information than others (Akerlof 1970). Decisions are affected by the information available, whether public or private (Connelly et al. 2011). The more information available on the market, the more it approaches an ideal information landscape that matches investors with firms, reducing moral hazard (Jensen and Meckling 1979), i.e., situations where one party exploits their superior knowledge of the risk of an asset or transaction at the expense of another.

One way of resolving information asymmetries is through signaling (Spence 1978; Connelly et al. 2011). Signaling theory describes how informed inside signalers can share relevant information with uninformed outside receivers, who could not access this private information on their own and have information gaps (Connelly et al. 2011; Spence 1978; Block, Hornuf, and Moritz 2018). To fulfill their purpose, signals must be salient for receivers. In the case of startups seeking financing, founders send signals about their firm's (partly unobservable) quality and their own suitability as an entrepreneur to potential investors or lenders (Courtney, Dutta, and Li 2017; Chen, Yao, and Kotha 2009; Herzenstein, Sonenshein, and Dholakia 2011).

Biswas and Biswas (2004) find that consumers perceive higher risks in online than in offline settings and therefore argue convincingly that signals matter more on the world-wide-web. Equity crowdfunding presents a highly uncertain context for investor

decisions (Ahlers et al. 2015). Investors in the crowd are usually less sophisticated than professional investors and often have scarce information to go on, so it is challenging for them to assess startup quality (an adverse selection problem). In the context of crowdfunding, entrepreneurs seeking funding are the senders who hold private information about their project and team and send signals to investors in the crowd via the project website and pitch video. These signals allow investors (the receivers) to base their decisions on a more comprehensive information base (Connelly et al. 2011) and can be complementary to each other and domain-specific (Bapna 2019). The information asymmetry between entrepreneurs and investors increases the dependence on the (one-sided) signals provided by the entrepreneur (Agrawal, Catalini, and Goldfarb 2014).

Signaling has been of great interest to crowdfunding researchers. For instance, in his literature review Colombo (2020) describes a variety of signals helping to overcome asymmetries within the investment context. Further, Anglin et al. (2018a) denote that research in signaling theory focuses not only on costly signals like patents, etc., but also on signals associated with more indirect costs, which are of special interest in situations where objective signals within an investment context are missing and in the presence of additional uncertainty (Loewenstein, Sunstein, and Golman 2014). Such situations include an unestablished investment context (like equity crowdfunding) and a less qualified or experienced audience (Ahlers et al. 2015; Cholakova and Clarysse 2015). Personality is an example of a signal that can play a role in situations where the support of others is required.

Crowdfunding Success Factors

Previous literature identifies a number of crowdfunding success factors, including attributes of the entrepreneur, media usage and the information provided in a given

campaign, as well as third-party involvement (Anglin et al. 2020; Mollick 2014; Wang et al. 2019; Davis et al. 2017). Further, Mollick (2014) demonstrates that crowdfunding entrepreneurs' use of videos and frequent updates are associated with higher success rates. The information offered on the campaign page is also vital: thus, project-related risk information provided by the crowdfunding entrepreneur positively impacts campaign success (Ahlers et al. 2015). Several other factors, such as campaign duration (negative), the location, the target amount (negative), campaign updates (positive), product innovativeness (positive), perceived product creativity (positive), and the chosen crowdfunding platform, can also impact crowdfunding success (Courtney, Dutta, and Li 2017; Block, Hornuf, and Moritz 2018; Prodromos, Theriou, and Sarigiannidis 2014; Chan and Parhankangas 2017; Davis et al. 2017; Alkire et al. 2020; Le Pendeven and Schwienbacher 2023).

Investment Intention in Crowdfunding Literature

While most empirical studies on crowdfunding study the funding amount achieved as the dependent variable, a substream of crowdfunding research examines funding intention. To our knowledge, only a single study examines investment intent in equity crowdfunding: from a trust perspective, Kang et al. (2016) find that project-related, platform-related, and fundraiser-related information all three enhance trust in a fundraiser leading to his/her willingness to invest.

In the context of reward-based crowdfunding, Strohmaier, Zeng, and Hafeez (2019) find that the institutional mechanisms of a platform (platform rules, monitoring, and security) affect the perceived trustworthiness of fundraisers. Also, in the setting of reward-based crowdfunding, Greenberg and Mollick (2017) find that female investors tend to support female fundraisers in industries where women are underrepresented and explain this from an identity perspective. Also focusing on gender, using a quasi-

experimental survey design, Johnson, Stevenson, and Letwin (2018) find that female fundraisers are more likely to succeed in reward-based crowdfunding because they are more trustworthy than men.

Finally, three studies investigate financing intentions in the context of donation-based crowdfunding. Liu, Suh, and Wagner (2018) find a positive relationship between trust in the project and donation intention, while Simon et al. (2019) find an insignificant effect of trust on donation intention but that the strength of network ties with referrals has a positive effect, while obligation has a mediating effect. The third (survey-based) study by Wang et al. (2019) adds to this picture by finding that communication and social networks enhance the social identity of backers, thereby increasing their funding intention.

The Entrepreneur and Crowdfunding Success

An alternate stream of literature focuses on the role of the entrepreneur as a success factor. For instance, engaging with the crowd, along with factors like education, experience, and gender, play a pivotal role (Ahrens et al. 2019; Nevin et al. 2017). (Allison et al. 2017; Barbi and Mattioli 2019; Courtney, Dutta, and Li 2017; Piva and Rossi-Lamastra 2018).

Within this stream, a unique discourse relates to the entrepreneur's personality and crowdfunding. Authors find both positive and negative relations between narcissistic rhetoric and crowdfunding success depending on the compliance with other characteristics of the entrepreneur (Anglin et al. 2018b). Contrary to this, entrepreneurs perceived as hubristic and charismatic are more successful in raising funds (Sundermeier and Kummer 2019). Moritz, Block, and Lutz (2015) argue that perceived sympathy, openness, and trustworthiness are essential in reducing information asymmetries in crowdfunding.

The entrepreneurship literature has focused on the Big Five personality models to describe an entrepreneur's character and explore links between personality and success. An individual's personality forms the basis that affects a person's decisions and behavior in everyday life situations as well as in the economic aspects of life (McAdams and Pals 2006; Rauch and Frese 2014). Personality includes a broad range of aspects from abilities such as different forms of intelligence, motives, attitudes up to a person's characteristics and temper. Studies suggest that personality stays stable over adolescent life (Costa and McCrae 1988). The "Big Five" model of personality (Digman 1990) consists of the traits Openness to experience, Conscientiousness, Extraversion, Agreeableness, and Neuroticism (emotional stability), hence the acronym "OCEAN" (Costa Jr and McCrae 1995). Studies suggest that personality stays stable over adolescent life (Costa and McCrae 1988). A meta-analysis by Zhao, Seibert, and Lumpkin (2010) finds a positive impact of openness and conscientiousness and a negative impact of agreeableness and neuroticism on entrepreneurial intentions and performance. Two extant studies examine the influence of the Big Five personality traits on reward-based crowdfunding success (Gera and Kaur 2018; Thies et al. 2016). Both studies find strong evidence for a positive impact of openness on crowdfunding success. Whereas Thies et al. (2016) also find a positive effect of agreeableness and a negative effect of neuroticism, Gera and Kaur (2018) only find support for a positive effect of extraversion on funding success. While based on a similar methodology, neither study is in the context of equity-based crowdfunding. Table 1 below provides an overview of prior related empirical studies.

[Table 1 about here]

A central mechanism that links perceived personality of entrepreneurs and potential backers' investment intention is trust. Trust can be related with someone's

commitment (e.g., Morgan and Hunt 1994), competency, their networking capability and social capital (i.e., network ties) and to the idea itself. From implicit personality theory (Asch 1946), we know that personality perceptions hereby shape these impressions. Implicit stereotypes have been shown to play a role in crowdfunding, for example in the case of gender (Johnson, Stevenson, and Letwin 2018).

Here however, we must distinguish between the impact of perceived personality traits on investment intention (e.g., as captured by third-party raters) and on actual equity crowdfunding investments. While these decision scenarios are somewhat similar, equity crowdfunders have real money (typically 1000 USD or more) at stake in resolving information asymmetries and are therefore likely to incorporate a wider range of quality signals (e.g., investment-based risks/hard facts). When potential investors rate a pitch video, their attention is on the entrepreneur (e.g., intangibles) and idea and these are the information aspects where asymmetry can be particularly reduced in gaging whether or not they would hypothetically invest. In the case of actual investments, attention is likely to shift somewhat away from only the entrepreneurs' personality and his/her idea to investment-based risk (and more tangible hard facts of the campaign), though more is at stake in the real-life investment scenario, an irreversible long-term commitment in equity crowdfunding.

Regarding personality impressions, first, openness to experience is associated with the need for variety, creativity, and intellectual curiosity (Costa Jr and McCrae 1995). People who express a highly open personality are socially skilled and thought to be good salespeople with greater-than-average management skills (Almlund et al. 2011; Costa Jr and McCrae 1995). They also show higher motivation to reach self-set goals (Judge and Ilies 2002). A meta-analysis conducted by Zhao, Seibert, and Lumpkin (2010) suggests a relation between high openness and entrepreneurial intentions and

success. “Soft” clues about an entrepreneur's perceived openness (e.g., implicitly associated with their creativity and motivation) in pitch videos and campaign narratives reduce information asymmetry between entrepreneurs and potential investors. These indicate the entrepreneurs’ innovation potential (any by extension that of his/her product or service), facilitating their investment intention such that:

H1a: Entrepreneurs' openness, as perceived by third-person raters based on the pitch video, will positively correlate with investment intention.

Conscientiousness stands for achievement-orientation, hard work, organization, attention to detail, dutifulness, and self-discipline; Conscientiousness is also a predictor of in- and extrinsic career success as well as job performance and even wages (Almlund et al. 2011; Hogan and Ones 1997; Judge et al. 1999). Researchers report a positive correlation between an entrepreneur's conscientiousness and long-term venture survival (Ciavarella et al. 2004). The meta-analysis conducted by Zhao, Seibert, and Lumpkin (2010) also shows a significant effect of entrepreneurs' conscientiousness and entrepreneurial intentions and outcomes. Further, conscientious people feel a sense of duty and involvement regarding projects in which they participate (Bozionelos 2004), positively impacting their commitment. Based on the above, it can be concluded that conscientious personalities are preferred by investors when making quality judgements of entrepreneurs or startup teams. Receiving information cues about the entrepreneur's conscientiousness will be implicitly attributed to impressions of them as hard-working, detail-orientated and achieving regarding their startup campaign, reducing uncertainty of potential investors in the crowd. From the above, therefore, we posit that:

H2a: Entrepreneurs' conscientiousness, as perceived by third-person raters based on the pitch video, will positively correlate with investment intention.

Extraverted people are sociable, optimistic, ambitious, dominant, and excitement-seeking (Bozionelos 2004; Watson and Clark 1997). Extroverted people tend to need a central position in their working environment to satisfy their strivings (Bozionelos 2004). Despite this need, extroverted people are good at maintaining and expanding contacts, which leads to both high quantity and quality of social networks (Ciavarella et al. 2004). A growing finance literature argues that social connections can mitigate information asymmetry. Thus, social connections are known to promote trust and information exchange (McPherson, Smith-Lovin, and Cook 2001; Granovetter 2018) and facilitate easier communication (Bhagwat 2011; Hegde and Tumlinson 2014). We therefore expect that extraversion cues in the entrepreneurs' campaign communication will reduce information asymmetry between entrepreneur and (potential) investors, facilitating their intention to invest and ultimately could lead to additional funding. Therefore, we posit that:

H3a: Entrepreneurs' extraversion, as perceived by third-person raters based on the pitch video, will positively correlate with investment intention.

People with high scores on agreeableness tend to be seen as altruistic, friendly, flexible, courteous, forgiving, and modest and are generally described as trustworthy and warm (Almlund et al. 2011; Barrick, Mount, and Judge 2001; Bozionelos 2004). While agreeableness implies willingness for cooperation and a need for harmony, this also creates a potentially risky dependency on others (Bozionelos 2004). Yet, this trait could still help receive the necessary social and financial support for a new venture (Ciavarella et al. 2004), and crowdfunding investors want to help others in realizing their ideas (Mollick 2014). Regarding investment intention, Kang et al. (2016) find that relational and calculative trust cues enhance the willingness to invest in equity crowdfunding. Trust signals have also been shown to play a key role in other forms of

crowdfunding, particularly the donation-based form (Liu, Suh, and Wagner 2018; Simon et al. 2019; Wang et al. 2019). Further, low trustworthiness seems to act as a deterrent to participation in crowdfunding (Gerber and Hui 2013). Increased perception of the entrepreneur as trustworthy via cues of their agreeableness should reduce information asymmetry between entrepreneurs and potential investors (observers rating their pitch video), ultimately leading to higher funding intentions. Therefore, overall, we argue that:

H4a: Entrepreneurs' agreeableness, as perceived by third-person rates based on the pitch video, will positively correlate with investment intention.

Neuroticism (referred to as emotional stability when reverse-coded) is a trait related to the experience of negative emotions (Bozionelos 2004). People with a high expression of this trait tend to worry and are described as pessimistic, irritable, insecure, and lacking social skills (Bozionelos 2004). People with high scores in neuroticism are also less goal-oriented and unable to cope with uncertainty and change. Therefore, unsurprisingly, research has uncovered negative associations between neuroticism and job search efforts, work performance, performance motivation, and extrinsic success (Almlund et al. 2011; Judge and Ilies 2002). Further, as managing performance pressure and coping with different expectations is a requirement for the success of entrepreneurs and entrepreneurial teams (Ciavarella et al. 2004), a high expression of neuroticism is an important (negatively perceived) information cue in crowdfunding, increasing the uncertainty about the long-term prospects of the venture. Therefore, these negatively perceived information cues would be seen as risks, reducing information asymmetry for potential investors. Therefore, we posit that:

H5a: Entrepreneurs' perceived neuroticism (emotional instability), as perceived by third person raters in the pitch video, will negatively correlate with investment intention.

Many studies employing third-party personality ratings show the predictive power of such ratings and their transferability to the "real world". Examples stretch from the working environment (Mount, Barrick, and Strauss 1994) to the entrepreneurship context (Mutschmann, Hasso, and Pelster 2022; Zhao, Seibert, and Lumpkin 2010). The studies show that the personality ratings of third persons not necessarily acquainted with the persons they are rating and recruited from the general population via surveys lead to personality measures that can make statements about actual behavior. Further, since the JOBS Act in 2012, non-accredited investors are able to invest in equity crowdfunding, making this form of alternative financing accessible to the general population (Ahlers et al. 2015) and thereby, further enhancing the relevance of measures obtained from this group. Therefore, we argue that the third-person ratings conducted within our study also correlate with crowdfunding success, proving that the personality traits perceived by the general population are linked with the perception of crowdfunding investors. To investigate these premises, we include five additional hypotheses, testing the effects of the related personality on the actual success of the respective equity crowdfunding campaigns (equity raised within the campaigns).

H6a: In equity crowdfunding, entrepreneurs' openness, as perceived by third-person rates based on the pitch video, will correlate positively with actual funding success.

H6b: In equity crowdfunding, the entrepreneurs' conscientiousness, as perceived by third-person rates based on the pitch video, will correlate positively with actual funding success.

H6c: In equity crowdfunding, the entrepreneurs' extraversion, as perceived by third-person rates based on the pitch video, will correlate positively with actual funding success.

H6d: In equity crowdfunding, the entrepreneurs' agreeableness, as perceived by third-person rates based on the pitch video, will correlate positively with actual funding success.

H6e: In equity crowdfunding, the entrepreneurs' perceived neuroticism (emotional instability), as perceived by third-person rates based on the pitch video, will correlate negatively with actual funding success.

Methodology

Videometric approach

To answer our research question and test our hypotheses, we follow a quantitative (positivist) empirical approach based on survey. Specifically, in order to measure the personality traits of entrepreneurs, we use naïve observer ratings and a video-metric technique. Both have clear advantages for our investigation. On the one hand, acquaintance-free ratings protect against certain social biases. Observers seem to have a “clearer lens” when rating others than people have while rating themselves (Connelly and Hülshager 2012). They are not influenced by biases such as social desirability (Petrenko et al. 2016) or impression management (Oh, Wang, and Mount 2011).

Further, researchers distinguish between internal and external aspects of an individual's personality (Connelly and Hülshager 2012). While interacting with the environment, only the external part of a person's personality seems to matter and affect an outcome (Hogan and Shelton 1998). While self-reports of personality reflect both internal and external components, observer-ratings conducted by strangers are advantageous in that they focus on the behaviorally relevant (external) aspects of personality.

The chosen video-metric approach is also advantageous for the realization of our study, as founders and CEOs are difficult to address directly (Hill et al. 2019). Video material about founders and CEOs is often openly available since equity crowdfunding platforms typically require or highly suggest utilizing a pitch video as a key part of the funding campaign. Therefore, the video-metric approach unlocks many such individuals for research (Petrenko et al. 2016) while allowing us to reach a greater number of participants. Originally used to predict election outcomes (Benjamin and Shapiro 2009), several scientists utilize this approach in personality research (Gupta, Nadkarni, and Mariam 2019; Petrenko et al. 2016), revealing promising results in support of this method, even within the related context of IPOs (Blankespoor, Hendricks, and Miller 2017).

To measure personality, we use the Ten-Item Personality Inventory (TIPI-G) (Gosling, Rentfrow, and Swann 2003). This survey instrument has been successfully utilized for observer ratings and has proven robust validity in comparison with other personality measurements (Muck, Hell, and Gosling 2007).

Data collection

Our study uses data provided on the homepages of two leading equity crowdfunding platforms in the U.S, StartEngine, and Wefunder. All observed campaigns are

regulation C.F. offerings (JOBS Act Title III, 2016), which means both non-accredited and accredited investors can invest in these campaigns. From a complete sample database covering campaigns from September 2016 up to March 2020, we randomly selected a sample of 100 crowdfunding campaigns from those where the entrepreneur was visible. We included the representative campaign pitch videos in an observer-rated questionnaire. To our knowledge, this study is the first to utilize actual investment data as well as observer ratings of personality and investment intentions in a comprehensive design within the context of (equity) crowdfunding.

In our study, we utilize the crowdfunding campaign page pitch videos provided by the respective founding teams. To ensure similar conditions between the actual crowdfunding investment context and our questionnaire, we include the original videos from the campaign page without cutting the length of the videos.

As a first step, we integrated our videos into a questionnaire using the software platform Unipark. This platform allows us to adhere to the E.U. data protection guidelines (GDPR). The questionnaire included the Ten-Item-Personality-Inventory (TIPI-G) to allow participants to assess the entrepreneurs' personality (Muck, Hell, and Gosling 2007; Gosling, Rentfrow, and Swann 2003), a tool used successfully in several previous studies (e.g., Romero et al. 2012; Myszkowski, Storme, and Tavani 2019), and ratings for the investment intention of observers. During the course of the questionnaire, observers had to rate a randomized selection of 5 videos. Second, before our core investigation, we pretested the questionnaire and the measurement method via the think-aloud method (Ericsson and Simon 1993) to ensure an understandable and intuitive design. Third, we recruited raters for the study via the platform SurveyCircle between April and July 2021. Raters were incentivized for participation by having the option to partake in a lottery for two Amazon gift cards of approximately 27 USD each. Lottery

participation has been shown to increase online survey participation, bringing in a wider audience, and to increase completion rates, reducing drop-out bias (Görritz 2010; Zhang, Lonn, and Teasley 2017).

During the survey, after reading a brief introductory text and confirming informed consent, raters were asked to indicate their own personality (TIPI-G) in addition to their demographics and level of English.¹ Subsequently, we instructed the participants to watch the pitch videos and then rate the speakers' Big Five personality traits via the TIPI-G on a 7-point Likert scale from 1, disagree strongly, to 7, agree strongly. Example items include, "I see the person observed in the video as extraverted, enthusiastic" (Extraversion) and "I see the person observed in the video as dependable, self-disciplined" (Conscientiousness). The ratings were conducted in the (blinded for peer review) University's Research Lab.

In addition to the data gathered with the questionnaire, we extracted information, including the actual investment amount contributed and the number of investors from the crowdfunding campaign page, and the disclosed crowdfunding filings of the Security and Exchange Commission. Finally, we compare two subgroups of our survey participants: those with and without crowdfunding experience, using both simple t-tests and Mann-Whitney u-tests (i.e. rank-sum tests, which are recommended by statisticians for group comparison tests using smaller sample sizes) as a robustness check.

This study design offers another important advantage. Because the explanatory and dependent variables were collected from different sources at different times, the collection of measurements is separated both temporally and methodologically, reducing common method bias (Podsakoff et al. 2003). For ease of interpretation and

¹ While one author received IRB training at a U.S. institution (anonymized for peer review) and we made an effort to conform to these guidelines, ethical approval for the survey was granted by the chair of the institute, as is common in Western Europe.

comprehension, we use OLS regression with a fixed effect for the platform the respective campaign was run on (implemented as the `areg` command in Stata). Further, to account for the structure of the data (100 videos with 5 ratings per participant), we report clustered standard errors (clustered by ID) in our regression models.

Variables

Dependent variables

As dependent variables, we use both the survey-based measure of *investment intention* (Cumming et al. 2020; Kang et al. 2016; Strohmaier, Zeng, and Hafeez 2019; Greenberg and Mollick 2017) and the *investment amount* (Ahlers et al. 2015) based on the post-hoc data from the actual funding campaigns. Investment intention is indicated by the observers after each pitch video with the help of a slider on a scale from 0 to 100 percent. The observers are asked how likely they would invest in the crowdfunding project just seen in the video. The variable investment amount is based on the actual final contribution amounts made by the investors on the equity crowdfunding platform for each respective project as manually assessed from the respective homepage by the authors. Since this variable was non-normal, we used the log-transformation of the variable to bring it closer to the normal distribution.

Independent Variables

The personality factors included in this study are derived from the Big Five model from psychology (McCrae and Costa 1987), which focuses on five key traits: *openness* (e.g., to new experiences), *conscientiousness* (e.g., dependability, self-disciplined), *extraversion* (e.g., outgoing, enthusiastic), *agreeableness* (e.g., sympathetic, warm), and *neuroticism* (i.e., emotional instability) (Gosling, Rentfrow, and Swann 2003). We

collect these variables using the German version of the Ten-Item-Personality-Inventory and observer-rated videos (TIPI-G) (Muck, Hell, and Gosling 2007). Observers rate the expression of the mentioned traits on ten 7-point Likert scales (Appendix A), which are subsequently combined to one value for each trait following the guideline provided by Gosling, Rentfrow, and Swann 2003.

Control Variables

To analyze the personality effects on actual investment amounts, we include a set of control variables recommended in the literature. As perceived project quality shapes investors' overall impression of a crowdfunding campaign (Bi, Liu, and Usman 2017) and, therefore, influences the effect that other signals have on crowdfunding success (Mollick 2014), we include the *word count* of the campaign and video text (Bi, Liu, and Usman 2017), media use (e.g., *number of pictures*) (Courtney, Dutta, and Li 2017) and the *number of updates* and *comments* (Courtney, Dutta, and Li 2017; Block, Hornuf, and Moritz 2018) as quality indicators (Mollick 2014). Based on previous literature (Mollick 2014; Barbi and Mattioli 2019), we also control for *project size* (Ahlers et al. 2015; Vismara 2016), *category* (Bapna 2019; Mollick 2014), *security type*, *number of employees* (Ahlers et al. 2015), company age (*established company*), the *year*, *campaign duration* (Anglin et al. 2018a; Mollick 2014), the crowdfunding *platform*, and the state of the *jurisdiction* (Allison et al. 2015). Additionally, we control for the *video duration* and include a dummy (*multiple speakers*) if more than one person is speaking within the video (Sellen 1992). Finally, we control for the gender of the founder (*female founder*), founder ethnicity (African American, Caucasian, Hispanic, or Asian), as well as for project innovativeness using a bag-of words dictionary approach (McKenny et al. 2018).

For the online questionnaire, as the third-party raters were provided no information on the campaign page (except for the pitch video itself), we dropped the variables number of comments, updates, pictures, word count, security type, year, campaign duration, and jurisdiction. In line with previous literature that shows the importance of pitch video quality in crowdfunding (e.g., Chan et al. 2020; Chan and Parhankangas 2017), we control for *video quality*, an additional survey item that was rated on a 7-point Likert scale. All variables are explained in detail in Table 2.

[Table 2 about here]

Results

In our survey, 236 people recruited via the online survey tool SurveyCircle, participated. Seventy-nine males, 155 females, and two non-binary participants with a mean age of $M=25.65$ ($SD=5.42$) participated in the study. While a majority of participants had no previous experience with crowdfunding ($n=181$), a subgroup did ($n=55$), allowing us to compare their personality ratings (more on this below).

Participants also stated data on their level of English (Mean level: between B2 and C1, according to the Common European Framework of Reference for Language²) and their educational background (6 have no degree, 92 have a high school degree, and 138 have a university degree). Therefore, our participant pool is characterized by aspects typically found in crowdfunding investors, e.g., above-average education and below-average age (Bretschneider and Leimeister 2017). The questionnaire resulted in a total of 1175 ratings of 100 randomly selected investor pitch videos. Regarding the gender and ethnicity of the founders in the videos, it is worth noting that 14.98% were female; 83.23% were Caucasian, while 16.77% belonged to an ethnic minority (Asian: 7.91%,

² <https://www.coe.int/en/web/common-european-framework-reference-languages>

Hispanic: 4.09%, African American: 4.77%). This matches the demographics of the leading equity crowdfunding platforms from which the campaigns were selected, where Caucasian males comprise the clear majority of founders.

We list the representative descriptive statistics in Table 3.

[Table 3 about here]

Complementing our descriptive results, below, we first compare and contrast the personality ratings of the survey participants with and without previous crowdfunding experience. The results show that the comparability of the ratings of the general population and of crowdfunding investors in particular are highly similar.

[Table 3b about here]

We calculated two sets of regression models based on the personality ratings with either the participants' investment intention or the actual crowdfunding campaign funding outcome as the dependent variable. We describe our regression results based on Tables 4 and 5. Table 4 focuses on the dependent variable investment intention rated by the participants after each video. Model 1 shows the effects of the control variables. Models 2-6 show the main effect of the Big Five personality traits, including the control variables. Model 7 presents the full model, including all personality variables and the controls, which explain 38,1 percent variation in investment intention ($R^2=.381$). Table 5 focuses on the dependent variable funding amount, the log-transformed correlate of investors' actual contributions (in U.S. Dollars) during the crowdfunding campaign. Model 1 shows the effects of the control variables, Model 2-6 show the main effect of the Big Five personality traits, including the control variables, and Model 7 presents the full model, including all personality variables and the controls, which explain 42,5 percent of the variation in funding intention ($R^2=.425$).

[Table 4 about here]

[Table 5 about here]

We interpret the results of our hypotheses tests based on the main effect models (Model 2-6) of both tables (Tables 4 and 5). First, we find that perceived openness has a positive and significant effect on investment intention ($\beta=4.943$, $p<.001$) in line with our prediction in H1. Second, we find that perceived conscientiousness has a significant positive influence on investment intention ($\beta=6.113$, $p<.001$), confirming our H2. Third, we find a positive and weakly significant effect of extraversion on investment intention ($\beta=1.052$, $p=.083$) as predicted in H3. Fourth, we find a significant positive effect of agreeableness on investment intention ($\beta=4.686$, $p<.001$) in line with our H4. Fifth, our results suggest a strong negative effect of neuroticism on funding intention ($\beta=-5.75$, $p<.001$), supporting our H5.

In addition, we find weakly significant results for the effect of perceived openness on the actual final funding amount ($\beta=.043$, $p=.088$) as predicted in our H6a. Further, we find a weakly significant effect of conscientiousness on actual funding success ($\beta=.052$, $p=.066$), supporting our H6b. Our hypothesis 6c however does not reach significance for the actual investment amount ($\beta=-.03$, $p=.194$). The effect of agreeableness (H6d) also loses significance when shifting the focus to actual investments, i.e., on the amount funded (H4b; $\beta=.003$, $p=.895$). Last, the effect for neuroticism on actual investment amount remain negative but do not reach significance levels ($\beta=-.017$, $p=.532$) and we must reject our H6e. Finally, we find that investment intention and the level of funding received show a significant albeit not particularly high bivariate correlation (of .118, $p<.001$).³

³ Also, if we run Model 7 (the full model with the Big Five based on the survey and investment intention as the DV), and replace the log-transformed funding amount actually achieved as the DV, we find that perceived openness ($\beta=.072$, $p=.022$) and extraversion ($\beta=-.077$, $p=.006$) based on the survey remain significant predictors of actual funding and that the effect directions of the Big Five remain the same for all but perceived agreeableness ($\beta=-.04$, $p=.179$). Results are similar if we regress the number of investors in the campaign against the Big Five based on the survey ratings, with significant predictors being perceived openness ($\beta=.084$, $p=.01$) and extraversion ($\beta=.081$, $p=.005$), respectively.

Among our control variables, we find that some campaign- and company-specific variables play a role, as suggested by the literature. We report the significant control variables from both tables for the first respective models (that include only the control variables and not the perceived personality constructs). For the investment intention, we find, negative effects for project size ($\beta=-3.174$, $p=.001$), which seems intuitive as a larger project clearly also carries a larger risk. On the other hand, we find strong positive significant effects for established companies ($\beta=4.114$, $p=.011$) and for video quality ($\beta=7.918$, $p<.001$). Further we find a significant effect of survey participants' gender on investment intention ($\beta=5.968$, $p=.012$), such that men tend to have higher intentions to invest in crowdfunding campaigns. We also found a significantly lower investment intention if the founders were Hispanic ($\beta=-13.014$, $p<.001$) or Caucasian ($\beta=-6.847$, $p<.001$). For the models examining the total investment amount raised, besides the aforementioned effects of founder ethnicity (which remain highly similar and significant here), we find significant positive effects of project size ($\beta=.611$, $p<.001$) and the number of employees ($\beta=.026$, $p<.001$). We also find significant effects for the project category ($\beta=.03$, $p<.001$) in line with previous literature (e.g., Chan and Parhankangas 2017). In addition, we find a significant influence of information quantity as proxied by the video duration ($\beta=.001$, $p<.001$), also in line with previous literature on the role of "soft" information cues in crowdfunding (e.g., von Selasinsky and Isaak 2020).

Robustness Checks

To validate our findings, we ran a number of robustness tests. First, we ran full models with all the Big Five factors and control variables in a single model for both dependent variables, investment intention, and the (actual) funding amount achieved. We find that for the dependent variable *investment intention*, all effect directions except extraversion

remain the same in the full model and that four out of five of the personality predictors retain significance (O: $\beta=3.267$, $p<.001$; C: $\beta=3.456$, $p<.001$; E: $\beta=-.934$, $p<.12$; A: $\beta=1.75$, $p<.018$; N: $\beta=-3.412$, $p<.001$). For the full model with the dependent variable *investment amount*, the factor perceived conscientiousness loses significance, but the factor extraversion becomes significant (O: $\beta=.068$, $p=.024$; C: $\beta=.045$, $p=.158$; E: $\beta=-.059$, $p=.03$; A: $\beta=-.037$, $p=.206$; N: $\beta=-.011$, $p=.712$).

We also ran an alternative model with the number of investors as the dependent variable as an alternate measure of campaign success (e.g., Ahlers et al. 2015; Block, Hornuf, and Moritz 2018; Vulkan, Åstebro, and Sierra 2016) and found that perceived openness ($\beta=.06$, $p=.021$) and conscientiousness ($\beta=.06$, $p=.041$) remain robust to this measure and significantly predict investor volume of a campaign. Extraversion is significantly predictive of the number of investors only in the full model ($\beta=-.06$, $p=.031$) in line with our findings for the dependent variable investment amount above.

Discussion and Implications

Regarding our groupwise comparison tests between the subjects with and without crowdfunding experience (Table 3b), the ratings look highly similar overall. Those without previous crowdfunding experience tend to rate entrepreneurs in the pitch video slightly higher on extraversion and slightly lower on agreeableness, though even these differences are nowhere near significant ($p=.17$ to $p=.33$). Overall, these results indicate that personality ratings of entrepreneurs from members of general population are largely equivalent to those of crowdfunding investors. This is not totally surprising, since even in the case of equity crowdfunding, investors in the crowd are not comparable to professional investors who are legally required to conduct considerable due diligence before investing (e.g., on behalf of pension funds).

Regarding our regression results, first, our finding that perceived openness of the entrepreneur positively predicts funding intention (H1) supports findings that open people are thought to be socially skilled and good salespeople (Almlund et al. 2011; Costa Jr and McCrae 1995), critical skills for an early-stage venture when new customer acquisition and building social capital are critical to growth and survival. The findings are also in line with research on entrepreneurial personality (Obschonka and Stuetzer 2017). In particular, the results on openness show that perceived innovativeness of the entrepreneur (and by extension the venture) is a key decision criterion for both investment intention and real-life funding success. Second, we find that perceived conscientiousness positively predicts funding intention (H2). Therefore, third-party raters seem to reward entrepreneurs that are perceived as disciplined, hard-working, dedicated and committed. These findings are also in line with findings in rewards-based crowdfunding by Bernardino and Santos (2016) and with predictions of the entrepreneurial personality system (Obschonka and Stuetzer 2017).

Third, we find a positive and significant effect of entrepreneurs' extraversion, as perceived by crowd investors, on funding intention (H3a). This results for extraversion are in line with previous results on this trait in rewards-based crowdfunding (e.g., Thies et al. 2016 vs. Gera and Kaur 2018).

Fourth, the perceived agreeableness of the entrepreneur significantly predicts investment intention (supporting our H4). This strengthens the argumentation that trust, a facet of agreeableness, is a key driver in crowdfunding, as shown e.g., in lending based crowdfunding (Liu, Suh, and Wagner 2018; Simon et al. 2019; Wang et al. 2019).

Fifth, we find that perceived entrepreneurs' neuroticism (i.e., emotional instability) as perceived by crowd investors, negatively predicts investment intention (H5a) supporting our initial hypothesis. This is in line with our argumentation that

trustworthiness is an important factor in equity crowdfunding and with findings that low trustworthiness seems to act as a deterrent to participation in crowdfunding (Gerber and Hui 2013).

Our overall finding that all five of the Big Five personality traits as perceived by third-person raters shows a significant bivariate correlation with funding intention is a strong sign that human capital signals in entrepreneurs' video pitches are, in fact, playing a role in crowd investor decision making in equity crowdfunding (e.g., Piva and Rossi-Lamastra 2018), reducing information asymmetry between entrepreneurs and investors, and that investment intention is an overall good predictor of funding success. This is also in line with the study by (Cumming et al. 2020) who found that aggregate investment intentions are a strong predictor of actual campaign success. Our robustness checks lend further support to these findings and also show that not only do perceived personality cues impact actual funding success but also the total number of investors in a campaign and, therefore, its reach. Finally, to further investigate how third-person raters decided on their investment intentions, we exploit a control item in our questionnaire, the results of which we summarize in Table C1 of the Appendix.⁴

For our sixth hypothesis we find mixed support: While we find that openness and conscientiousness as perceived by third-person raters weakly correlate with the actual funding amount achieved by the campaigns, the other traits lose their significance. A possible explanation for this finding is the lower salience of personality traits when mixed with all the additional information investors can access on a

⁴ From it we can see that when participants rated the entrepreneurs in the pitch video, they paid particular attention to whether or not they trusted them, perceived them as competent, serious, confident, friendly/likeable, based on their gut feelings and the success prospects for the company and product/idea; they also looked for professionalism and for innovativeness of the idea and potential of the market and business model. This is quite revealing about the pitches in that clearly the central criteria for making actual investment decisions are being transported in the video pitches: that is, they do capture key aspects of the campaign that would typically be included on the campaign page, albeit in a more compressed fashion.

crowdfunding campaign page. From the perspective of signaling theory, the less ambiguous a signal is, the more effective it can be because it is easier for the receiver to attach a meaning to it and utilize it to infer its sender's unobserved quality (Epstein and Schneider 2008). States another way, when having only the pitch video to judge, the full attention is on the entrepreneur and therefore his or her personality is more present.

We investigate our research question through the lens of information asymmetry and signaling theory. This allows us to adapt the concept of personality to the new context of equity crowdfunding and to make several contributions to the literature. First, by examining the effects of the Big Five personality traits in the context of the U.S.-based equity crowdfunding market, our findings contribute to research on signaling in crowdfunding in entrepreneurship and information systems (Ahlers et al. 2015; Ahrens et al. 2019; von Selasinsky and Isaak 2020) and relate to research on which personality traits are helpful for entrepreneurial teams in obtaining classical venture capital (e.g., Mitteness, Sudek, and Cardon 2012; Murnieks, Sudek, and Wiltbank 2015). Our study provides supportive evidence that low-cost or costless signals are indeed in play a role in crowdfunding (e.g., Anglin et al. 2018a).

Second, this study extends the broader literature stream on the relationship between entrepreneurial success and personality, providing new input to a longstanding and central debate on the impact of individual-level components on entrepreneurial outcomes (e.g., Zhao, Seibert, and Lumpkin 2010) in the underexplored alternative finance market.

Third, with our unique study design, an empirical contribution is that we bridge information on the investment intention (e.g., Cumming et al. 2020) of survey participants and actual investor contributions (Ahlers et al. 2015; Isaak, Neuhaus, and Bostandzic 2021). Therefore, we show that investment intention, as indicated by third-

party observer ratings, is largely indicative of “real-life” investments made in equity crowdfunding. To our knowledge, no other study investigates both sides of the investment context, indicating how intention is translated into action in the crowdfunding context.

Fourth, we show that in equity-based crowdfunding, personality signals favored by investors in the crowd show fewer similarities to reward-based crowdfunding (Thies et al. 2016) than to evaluations by angel investors (Murnieks, Sudek, and Wiltbank 2015). This result can help us to better understand the investors that contribute to equity-based crowdfunding campaigns.

Our study also has practical implications. First, our results can help equity crowdfunding investors and coaches better differentiate which personality traits signaled in pitch videos, and project descriptions are predictive of funding success. Second, startups that plan to pursue equity crowdfunding could increase their self-awareness regarding the personality signals communicated in their campaign and thereby optimize their message to the crowd. Finally, for equity crowdfunding platforms, our results can feed into improved risk management of startup portfolios (e.g., as screening criteria for platform listing).

Limitations and Future Research

While featuring almost 1200 individual ratings, our study relies on randomly selected pitch videos from two leading U.S.-based equity crowdfunding websites. This implies that our results may or may not generalize to platforms based in other countries (given cultural differences) or other types of crowdfunding (given different incentive structures and user bases, e.g., degree of investor sophistication). We know from similar contexts that cultural factors influence investment decisions (Perry, Chand, and Ring 2015); therefore, future studies should examine the impact of entrepreneurs' perceived

personality on crowdfunding success in other regions such as East Asia and South America.

Second, a limitation of the study was that third-party raters viewed only the pitch video. This was a design decision that followed a careful cost-benefit analysis on the number of participants and the length to complete the survey. While the literature suggests that the investor pitch is a central aspect when judging entrepreneurs' personality (e.g., due to non-verbal cues and rapid judgements (Rule and Ambady 2010)), the different results for extraversion could stem from participants rating only the investor pitch video, whereas crowdfunding investors also judge the campaign page, perhaps deemphasizing the otherwise unique role of the pitch video in terms of personality displays.

Also, studies should consider not only alternative measures of campaign success but also post-campaign outcomes such as whether or not a venture received venture capital after the crowdfunding campaign or whether or not startups survived (e.g., after five years). Also, while we include a large number of control variables, future studies could examine interactions between signals.

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Tables and Figures

Table 1. Prior research on personality in equity- and rewards-based crowdfunding

Author	Sample	Funding type	Signal	Findings
Moritz, Block, and Lutz 2015	23 participants in equity-based crowdfunding	Equity-based	Overall impression	- perceived sympathy, openness, and trustworthiness reduce information asymmetries
Bollaert, Leboeuf, and Schwiendbacher 2019	14968 campaigns (Indigogo)	Reward-based	Narcissistic language	- narcissistic entrepreneurs have lower funding goals, longer campaign duration, and reach their campaign goals less often
Anglin et al. 2018b	1863 campaigns (Kickstarter)	Reward-based	Narcissistic language	- u-shape between rhetoric and funding success
Anglin et al. 2018a	1726 campaigns (Kickstarter)	Reward-based	Positive psychological capital	- positive psychological capital language positively influences campaign success
Gera and Kaur 2018	4121 campaigns 4033 creators' profiles (Kickstarter)	Reward-based	Personality in text	- success is associated with openness and extraversion
Thies et al. 2016	33,420 campaigns (Kickstarter)	Reward-based	Personality in video and text	- entrepreneurs/entrepreneurial teams who signal openness and agreeableness are more successful - neuroticism negatively impacts the success

Table 2. Description of variables.

Variable	Definition	Source
Campaign Variables		
Total funding (ln)	Natural logarithm of the received funding amount	Ahlers et al. 2015
Total Investors (ln)	Natural logarithm of the number of investors contributed to the funding	Ahlers et al. 2015

No. of Comments (ln)	Natural logarithm of the number of comments/number of questions posted on the campaign page	Courtney, Dutta, and Li 2017
No. of Updates (ln)	Natural logarithm of the number of updates posted on the campaign page	Block, Hornuf, and Moritz 2018
No. of Pictures		
Multiple Speakers	Number of speakers visible in the campaign video	Sellen 1992
Video Duration		
Project Size	Categorical variable that = 1 if Goalmax<107000; = 2 if Goalmax>=107000 & Goalmax<712162; = 3 if Goalmax>=712162 & Goalmax<1070000; = 4 if Goalmax>=1070000 (regulation C allows a maximum of \$1,070,000 raised)	Ahlers et al. 2015; Vismara 2016
Project Category	Economic sector of the company (adjusted according to the StartEngine categories)	Mollick 2014; Bapna 2019
Innovativeness	A percentage count of the usage of approximately 160 dictionary words that relate to innovation (e.g., creativity, dream, imagination, improvise, invent, prototype, R&D)	McKenny et al. 2018
No. of Employees	Number of employees the company has indicated in the SEC filing	Ahlers et al. 2015
Jurisdiction	Jurisdiction of the company launching the campaign is registered	Allison et al. 2015 (location)
Established Comp.	Companies active longer than 5 years	
Campaign Duration	Variable calculated with campaign deadline indicated in the SEC filing and the signature date of the document	Mollick 2014; Anglin et al. 2018a Cicchello and Kazemikhasragh 2022
Female Founder	Equals one if the founder is female and zero otherwise.	
Founder Ethnicity	A categorical variable indicating if the founder is African American, caucasian, hispanic, or asian (baseline)	Younkin and Kuppuswamy 2018
Word Count	Length (in number of words) of the project description, updates presented, and video transcript.	Bi, Liu, and Usman 2017
Year	Year of the campaign launch (2016-2020)	
Platform	Categorical variable for the two crowdfunding platforms	
Survey Variables		
Investment Intention	Investment intention was indicated by the participants on a scale from 0 to 100 (see Appendix A)	(Cumming et al. 2020)
Openness		
Agreeableness		
Conscientiousness	Personality trait (TIPI-G) rated by the observing participants on a scale from 1 to 7 (see Appendix A)	Gosling, Rentfrow, and Swann 2003; Muck, Hell, and Gosling 2007
Extraversion		
Neuroticism		
Video Quality	Video quality was rated by the observing participants on a scale from 1 to 7	
Rater Variables		
Gender	Dummy variable coded 0 if participant is male and 1 if female	Cicchello and Kazemikhasragh 2022
Education	A categorical variable denoting the education level of a participant: 1 indicates a high school degree or some college, 5 a Bachelor's degree, 6 a Master's degree and 7 a PhD or further professional/academic degree	Munim et al. 2020
Age	Positive integer value representing the age of survey participants	Munim et al. 2020

Table 3. Summary statistics.

Variable	Obs	Mean	Std. Dev.	Min	Max
Campaign Variables					
Total funding (ln)	1175	352577.85	383507.76	12488.06	1699901

Total Investors (ln)	1175	394.462	521.848	8	3735
No. of Comments (ln)	1175	37.861	74.665	0	395
No. of Updates (ln)	1175	16.549	22.998	0	187
No. of Pictures	1175	52.46	24.674	2	136
Multiple Speakers	1175	.47	.499	0	1
Video Duration	1175	190.162	89.356	69	601
No. of Employees	1175	6.038	7.622	0	70
Campaign Duration	1175	93.197	57.954	2	362
Word Count	1175	7602.807	3259.521	2442	22817
Female founder	1175	.15	.357	0	1
Ethnicity - African American	1175	.048	.213	0	1
Ethnicity - Asian	1175	.079	.270	0	1
Ethnicity - Hispanic	1175	.041	.198	0	1
Ethnicity - Caucasian	1175	.832	.374	0	1
Innovativeness	1175	.984	.127	0	1
Survey Variables					
Investment Intention	1170	32.975	27.995	0	100
Openness	1175	4.992	1.286	0	7
Agreeableness	1175	4.837	1.186	0	7
Conscientiousness	1175	5.151	1.175	0	7
Extraversion	1175	4.948	1.372	0	7
Neuroticism	1175	2.886	1.1	0	6.5
Quality	1170	4.659	1.747	0	7

Table 3b: Personality Ratings by Crowdfunding Experience and overall

Variable	Sample	Obs	Mean	Std. Dev.	Min	Max	T-test (p-value, two-tailed)	Ranksum (p-value, two-tailed)
Openness	prev. CF exp.	275	4.96	1.318	0	7	0.6383	0.6216
	no prev. CF exp.	900	5.002	1.276	0	7		
	all participants	1175	4.992	1.286	0	7		
Conscientiousness	prev. CF exp.	275	5.145	1.244	0	7	0.9225	0.9977
	no prev. CF exp.	900	5.153	1.154	0	7		
	all participants	1175	5.151	1.175	0	7		
Extraversion	prev. CF exp.	275	4.86	1.36	0	7	0.2238	0.1713
	no prev. CF exp.	900	4.975	1.375	0	7		
	all participants	1175	4.948	1.372	0	7		
Agreeableness	prev. CF exp.	275	4.913	1.184	0	7	0.2241	0.334
	no prev. CF exp.	900	4.813	1.187	0	7		
	all participants	1175	4.837	1.186	0	7		
Neuroticism	prev. CF exp.	275	2.84	1.149	0	6.5	0.4289	0.3688
	no prev. CF exp.	900	2.9	1.085	0	6.5		
	all participants	1175	2.886	1.1	0	6.5		

Table 5. OLS regression models (survey, DV: funding amount).

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Video quality	.102*** (0)	.09*** (0)	.088*** (0)	.108*** (0)	.102*** (0)	.099*** (0)	.085*** (0)
Mult. visible speakers	-.28*** (0)	-.284*** (0)	-.276*** (0)	-.274*** (0)	-.28*** (0)	-.282*** (0)	-.275*** (0)
Video duration	0 (.875)	0 (.86)	0 (.962)	0 (.84)	0 (.882)	0 (.887)	0 (.796)
Project size	.611*** (0)	.611*** (0)	.606*** (0)	.616*** (0)	.611*** (0)	.61*** (0)	.611*** (0)
Project category	.03*** (0)	.03*** (0)	.03*** (0)	.03*** (0)	.03*** (0)	.03*** (0)	.03*** (0)
# of employees	.026*** (0)	.026*** (0)	.026*** (0)	.026*** (0)	.026*** (0)	.026*** (0)	.026*** (0)

Established company	.092 (.166)	.093 (.158)	.092 (.163)	.091 (.169)	.091 (.167)	.092 (.165)	.097 (.137)
Female founder	.069 (.369)	.065 (.395)	.073 (.344)	.07 (.357)	.068 (.378)	.076 (.326)	.085 (.282)
Ethnicity:Afr.Am.	-1.073*** (0)	-1.089*** (0)	-1.081*** (0)	-1.054*** (0)	-1.072*** (0)	-1.076*** (0)	-1.074*** (0)
Ethnicity:Hispanic	-.289 (.182)	-.305 (.157)	-.275 (.198)	-.27 (.21)	-.288 (.183)	-.29 (.181)	-.276 (.19)
Ethnicity:Cauc.	-.168 (.15)	-.165 (.159)	-.168 (.152)	-.168 (.151)	-.167 (.15)	-.166 (.154)	-.167 (.157)
Innovativeness	.258*** (0)	.262*** (0)	.26*** (0)	.25*** (0)	.257*** (0)	.261*** (0)	.266*** (0)
Part. age	-.002 (.756)	-.003 (.697)	-.002 (.714)	-.002 (.803)	-.002 (.755)	-.002 (.74)	-.002 (.712)
Part. gender	-.034 (.587)	-.048 (.439)	-.049 (.419)	-.022 (.729)	-.034 (.578)	-.037 (.545)	-.041 (.506)
Part. education	-.026 (.553)	-.027 (.546)	-.025 (.561)	-.026 (.559)	-.026 (.555)	-.027 (.541)	-.029 (.511)
Openness		.043* (.088)					.068** (.024)
Conscientiousness			.052* (.066)				.045 (.158)
Extraversion				-.03 (.194)			-.059** (.03)
Agreeableness					.003 (.895)		-.037 (.206)
Neuroticism						-.017 (.536)	-.011 (.712)
Observations	1170	1170	1170	1170	1170	1170	1170
R-squared	.419	.42	.421	.42	.419	.419	.425
F-stat	76.655	70.804	71.656	72.008	71.928	72.222	57.554
RMSE	.987	.986	.986	.987	.987	.987	.984
logl.	1636.29	1634.78	1634.46	1635.38	1636.28	1636.12	1630.51

Clustered standard errors in parentheses, constant not shown;

*** $p < .01$, ** $p < .05$, * $p < .1$

Table 4. OLS regression models (survey, DV: investment intention).

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Video quality	7.918*** (0)	6.504*** (0)	6.234*** (0)	7.73*** (0)	7.153*** (0)	6.858*** (0)	5.284*** (0)
Multiple speakers	-3.003* (.055)	-3.437** (.023)	-2.511* (.09)	-3.221** (.042)	-2.508* (.094)	-3.547** (.021)	-2.956** (.041)
Video duration	-.003 (.674)	-.004 (.591)	.001 (.854)	-.003 (.725)	.001 (.937)	-.001 (.858)	.001 (.89)
Project size	-3.174*** (.001)	-3.221*** (.001)	-3.738*** (0)	-3.357*** (.001)	-2.51*** (.009)	-3.495*** (0)	-3.304*** (0)
Project category	-.136 (.203)	-.128 (.217)	-.094 (.353)	-.148 (.17)	-.068 (.51)	-.166 (.108)	-.088 (.365)
# of employees	.127 (.26)	.127 (.24)	.148 (.171)	.128 (.259)	.095 (.36)	.113 (.287)	.118 (.243)
Established company	4.114** (.011)	4.27*** (.008)	4.098*** (.009)	4.137** (.01)	3.602** (.022)	4.152*** (.009)	4.019*** (.009)
Female founder	-2.668 (.173)	-3.079 (.121)	-2.208 (.26)	-2.728 (.165)	-3.964** (.038)	-.191 (.922)	-1.64 (.405)
Ethnicity:Afr.Am	-3.374 (.497)	-5.237 (.288)	-4.306 (.361)	-4.013 (.419)	-3.023 (.531)	-4.428 (.355)	-5.06 (.278)
Ethnicity:Hisp.	-13.014*** (.004)	-14.917*** (.001)	-11.436*** (.008)	-13.676*** (.003)	-11.885*** (.009)	-13.346*** (.003)	-12.568*** (.005)
Ethnicity:Cauc.	-6.847** (.019)	-6.567** (.023)	-6.835** (.015)	-6.854** (.019)	-6.259** (.029)	-6.291** (.026)	-6.1** (.027)
Innovativeness	1.972 (.196)	2.475* (.093)	2.25 (.122)	2.23 (.144)	.505 (.731)	3.004** (.042)	2.297* (.099)
Part. age	-.225 (.321)	-.286 (.226)	-.267 (.219)	-.24 (.291)	-.236 (.291)	-.274 (.205)	-.309 (.168)
Part. gender	5.968** (.012)	4.319* (.068)	4.162* (.078)	5.55** (.02)	4.959** (.038)	4.637** (.047)	3.062 (.193)
Part. education	-.342 (.818)	-.414 (.784)	-.273 (.858)	-.356 (.81)	-.027 (.986)	-.656 (.661)	-.407 (.796)
Openness		4.943*** (0)					3.267*** (0)
Conscientiousness			6.113*** (0)				3.456*** (0)
Extraversion				1.052* (.083)			-.934 (.12)
Agreeableness					4.686*** (0)		1.75** (.018)
Neuroticism						-5.75*** (0)	-3.412*** (0)
Observations	1170	1170	1170	1170	1170	1170	1170
R-squared	.287	.329	.34	.29	.322	.331	.381
F-stat	22.984	26.833	29.493	21.855	28.954	29.77	30.167
RMSE	23.796	23.102	22.917	23.768	23.214	23.06	22.217
logl.	5359.93	5324.79	5315.39	5358.03	5330.43	5322.68	5277.07

Clustered standard errors in parentheses, constant not shown;

*** $p < .01$, ** $p < .05$, * $p < .1$

Table 6. Poisson regression models (DV: total investors).

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Video quality	.075*** (0)	.058*** (.004)	.059*** (.004)	.081*** (0)	.072*** (0)	.074*** (0)	.054*** (.01)
Mult. visible speakers	-.324*** (0)	-.33*** (0)	-.319*** (0)	-.318*** (0)	-.322*** (0)	-.325*** (0)	-.317*** (0)
Video duration	0 (.693)	0 (.67)	0 (.794)	0 (.656)	0 (.733)	0 (.698)	0 (.619)
Project size	.391*** (0)	.39*** (0)	.385*** (0)	.396*** (0)	.394*** (0)	.391*** (0)	.393*** (0)
Project category	.036***	.036***	.037***	.037***	.037***	.036***	.037***

	(0)	(0)	(0)	(0)	(0)	(0)	(0)
# of employees	.023***	.023***	.023***	.023***	.023***	.023***	.023***
	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Established company	-.089	-.087	-.089	-.089	-.091	-.089	-.085
	(.158)	(.165)	(.154)	(.154)	(.149)	(.159)	(.166)
Female founder	-.103	-.108	-.099	-.102	-.109	-.1	-.101
	(.174)	(.156)	(.194)	(.181)	(.154)	(.191)	(.195)
b.ethnicity	-1.53***	-1.553***	-1.539***	-1.512***	-1.529***	-1.531***	-1.533***
	(0)	(0)	(0)	(0)	(0)	(0)	(0)
h.ethnicity	-.579**	-.602***	-.563**	-.56**	-.574**	-.579**	-.566**
	(.012)	(.009)	(.014)	(.015)	(.013)	(.012)	(.012)
w.ethnicity	-.674***	-.671***	-.674***	-.674***	-.671***	-.673***	-.672***
	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Innovativeness	.223***	.23***	.226***	.216***	.217***	.225***	.225***
	(.001)	(.001)	(.001)	(.002)	(.002)	(.001)	(.001)
Part. age	-.003	-.004	-.003	-.003	-.003	-.003	-.003
	(.614)	(.535)	(.57)	(.661)	(.612)	(.608)	(.562)
Part. gender	.025	.005	.008	.037	.021	.024	.013
	(.668)	(.931)	(.896)	(.536)	(.724)	(.689)	(.826)
Part. education	-.031	-.032	-.031	-.031	-.03	-.032	-.032
	(.472)	(.462)	(.48)	(.478)	(.49)	(.469)	(.461)
Openness		.06**					.085***
		(.021)					(.006)
Conscientiousness			.06**				.049
			(.041)				(.139)
Extraversion				-.029			-.06**
				(.22)			(.031)
Agreeableness					.021		-.022
					(.417)		(.434)
Neuroticism						-.007	.009
						(.799)	(.768)
Observations	1170	1170	1170	1170	1170	1170	1170
R-squared	.358	.361	.36	.359	.358	.358	.366
F-stat	43.819	41.839	40.774	41.33	41.858	41.204	33.808
RMSE	.982	.98	.98	.982	.982	.982	.978
logl.	-1630.155	-1627.157	-1627.76	-1629.279	-1629.829	-1630.126	-1622.54

p-values in parentheses, Constant included but not shown, clustered standard errors specified

*** $p < .01$, ** $p < .05$, * $p < .1$

Table 6. Poisson regression models (DV: total investors).

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Video Quality	.711*	.745	.309	.957**	.675	.754	.537
	(.099)	(.108)	(.495)	(.028)	(.132)	(.103)	(.258)
Multiple Speakers	-4.51***	-4.5***	-4.392**	-4.227**	-4.486***	-4.488***	-4.12**
	(.008)	(.008)	(.01)	(.012)	(.009)	(.008)	(.015)
Video duration	-.046***	-.046***	-.045***	-.047***	-.046***	-.046***	-.046***
	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Project size	5.083***	5.084***	4.948***	5.321***	5.114***	5.096***	5.144***
	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Project category	.555***	.555***	.565***	.571***	.558***	.556***	.58***
	(0)	(0)	(0)	(0)	(0)	(0)	(0)
# of employees	.156**	.156**	.161**	.156**	.154**	.156**	.164**
	(.017)	(.017)	(.015)	(.014)	(.019)	(.016)	(.011)
Established company	2.686**	2.682**	2.682**	2.657*	2.662**	2.684**	2.703**
	(.046)	(.047)	(.045)	(.051)	(.049)	(.046)	(.046)
Female founder	2.534	2.544	2.644	2.612	2.472	2.434	2.692
	(.212)	(.21)	(.193)	(.192)	(.23)	(.23)	(.189)
Ethnicity:Afr.Am.	-21.27***	-21.226***	-21.493***	-20.44***	-21.253***	-21.228***	-20.742***
	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Ethnicity:Hispanic	-6.432	-6.387	-6.055	-5.572	-6.378	-6.419	-5.304
	(.361)	(.366)	(.384)	(.428)	(.364)	(.362)	(.443)

Ethnicity:Cauc.	-15.29***	-15.296***	-15.287***	-15.28***	-15.262***	-15.312***	-15.334***
	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Innovativeness	2.77*	2.758*	2.836*	2.435	2.7*	2.728*	2.592*
	(.069)	(.071)	(.06)	(.112)	(.083)	(.072)	(.095)
Part. age	-.118	-.116	-.128	-.098	-.118	-.116	-.109
	(.364)	(.366)	(.323)	(.44)	(.364)	(.372)	(.382)
Part. gender	-.932	-.893	-1.363	-.388	-.98	-.878	-.801
	(.529)	(.548)	(.354)	(.798)	(.508)	(.557)	(.596)
Part. education	-.639	-.637	-.622	-.62	-.624	-.626	-.616
	(.53)	(.532)	(.539)	(.543)	(.537)	(.539)	(.542)
Openness		-.116					.365
		(.857)					(.631)
Conscientiousness			1.46**				1.642**
			(.027)				(.023)
Extraversion				-1.366**			-1.467**
				(.014)			(.027)
Agreeableness					.224		-.394
					(.711)		(.548)
Neuroticism						.232	.298
						(.702)	(.661)
Observations	1170	1170	1170	1170	1170	1170	1170
R-squared	.376	.376	.379	.38	.376	.376	.383
F-stat	16.567	15.558	15.667	15.468	15.532	15.582	12.503
RMSE	22.826	22.835	22.784	22.768	22.834	22.835	22.746
logl	-5311.236	-5311.215	-5308.57	-5307.745	-5311.165	-5311.172	-5304.578

p-values are in parentheses, constant not shown, clustered standard errors specified

*** $p < .01$, ** $p < .05$, * $p < .1$

Appendix A - Personality Questionnaire

Please start the video and watch it carefully.

Please try to pay particular attention to the founder/CEO shown in the video or the founder/CEO shown in the video.

You can watch the video only once.

[Video Player about here]

Do you know the person shown?

Yes	No
o	o

Here are a number of personality traits that may or may not apply to the person(s) shown. Please indicate the extent to which it does or does not apply to the observed person(s). You should rate the extent to which the pair of traits (extroverted, enthusiastic) applies to the observed person(s), even if one characteristic applies more strongly than the other.

Please try to make your assessment primarily for the founder/manager shown in the video.

I see the person observed in the video as⁵:

	Disagree strongly	Disagree moderately	Disagree a little	Neither agree nor disagree	Agree a little	Agree moderately	Agree strongly
Extraverted, enthusiastic.	o	o	o	o	o	o	o
Critical, quarrelsome.	o	o	o	o	o	o	o
Dependable, self-disciplined.	o	o	o	o	o	o	o
Anxious, easily upset.	o	o	o	o	o	o	o
Open to new experiences, complex.	o	o	o	o	o	o	o
Reserved, quiet.	o	o	o	o	o	o	o
Sympathetic, warm.	o	o	o	o	o	o	o
Disorganized, careless.	o	o	o	o	o	o	o
Calm, emotionally stable.	o	o	o	o	o	o	o
Conventional, uncreative.	o	o	o	o	o	o	o

Would you invest?⁶

Imagine you wanted to invest in a young company, how likely would you be to invest in the company from the video?

Definitely not 0%  100% Definitely

How do you rate the quality of the video?

Please rate the quality as independently as possible from your assessment of the personality or the given investment probability.

	low						high
Video quality	o	o	o	o	o	o	o

⁵ Questionnaire-based on the Ten-Item-Personality-Inventory (Gosling, Rentfrow, and Swann 2003), the actual survey used the validated german TIPI-G version (Muck, Hell, and Gosling 2007).

⁶ Scale inspired by Cumming et al. 2020

Appendix B – Additional table

Table B1. Correlation table.

Variables	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	
(1) Total Funding (ln)	1.000																					
(2) Total investors (ln)	0.900*	1.000																				
(3) Investment Intention	0.160*	0.125*	1.000																			
(4) Openness	0.100*	0.103*	0.399*	1.000																		
(5) Agreeableness	0.024	0.030	0.331*	0.378*	1.000																	
(6) Conscientiousness	0.145*	0.132*	0.426*	0.377*	0.407*	1.000																
(7) Extraversion	0.068*	0.052	0.190*	0.484*	0.053	0.147*	1.000															
(8) Neuroticism	-0.112*	-0.095*	-0.363*	-0.363*	-0.283*	-0.436*	-0.357*	1.000														
(9) Word Count	0.398*	0.429*	0.018	0.011	-0.074*	0.038	0.009	-0.059*	1.000													
(10) No. of Updates (ln)	0.202*	0.232*	-0.044	-0.046	0.006	0.042	-0.043	-0.005	0.387*	1.000												
(11) No. of Comments	0.388*	0.466*	0.002	-0.028	-0.014	0.084*	-0.067*	0.018	0.431*	0.563*	1.000											
(12) Project Category	0.302*	0.338*	0.012	0.002	-0.064*	-0.014	0.079*	-0.056	0.036	-0.081*	0.114*	1.000										
(13) No. of Employees	0.186*	0.140*	0.078*	0.053	0.031	0.028	0.055	-0.081*	0.075*	-0.154*	0.028	-0.011	1.000									
(14) Project Size	0.566*	0.474*	0.029	0.033	-0.029	0.116*	0.115*	-0.099*	0.188*	0.028	0.036	0.209*	0.121*	1.000								
(15) No. of Pictures	0.211*	0.198*	0.017	0.018	0.005	0.017	0.074*	-0.050	0.371*	0.242*	0.347*	0.049	0.113*	0.100*	1.000							
(16) Multiple Speakers	-0.132*	-0.160*	-0.017	0.044	0.015	-0.023	0.038	0.001	-0.211*	-0.125*	-0.099*	-0.151*	0.087*	-0.105*	0.032	1.000						
(17) Video Duration	-0.033	-0.031	-0.059*	-0.041	-0.082*	-0.131*	-0.070*	0.068*	-0.022	-0.085*	-0.249*	0.011	0.082*	-0.088*	-0.207*	0.098*	1.000					
(18) Video Quality	0.232*	0.188*	0.504*	0.409*	0.258*	0.420*	0.281*	-0.317*	0.027	0.006	-0.031	0.047	0.107*	0.164*	0.074*	0.048	-0.114*	1.000				
(19) Campaign Duration	-0.035	-0.013	-0.007	0.065*	-0.053	-0.042	0.117*	0.012	0.051	-0.151*	-0.052	0.171*	0.046	-0.004	0.018	-0.077*	0.035	-0.045	1.000			
(20) Platform	0.200*	0.177*	0.092*	0.076*	0.049	0.011	0.113*	-0.049	0.036	-0.423*	-0.557*	0.185*	0.007	0.237*	-0.180*	-0.122*	0.149*	0.160*	0.010	1.000		
(21) Security Type	0.071*	0.066*	0.028	-0.001	-0.003	0.042	0.108*	0.001	0.101*	-0.072*	-0.015	0.092*	-0.099*	0.023	-0.009	0.047	0.086*	0.034	-0.025	0.270*	1.000	

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$

Appendix C – Third-Party Ratings of Investment Intention

Table C1. Participants Ratings based on Factors Focusing on the Crowdfunder

Focus Topic and Sample Quotes by Rating Participants (Answers to the Question: How did you determine the probability with which you would invest?)	Observations (n)
Trust and Credibility <i>“First, how much trust I would place in this person and their words (credibility and trustworthiness).” //</i> <i>“Based on trustworthy impression of the founders [...].”</i>	20
Competence <i>“By the charisma and competence of the people” //</i> <i>“The competency and knowledge of the subject [...].”</i>	32
Sympathy <i>“To what extent [...] person representing [the company] seems sincere and likeable to me.” // “So I thought about how sympathetic I found the persons.”</i>	18
Gut Feeling <i>“Gut feeling, [I decide] at least not in a relational way, [...].” //</i> <i>“From the impression, based on intuition.”</i>	14
Convincing Entrepreneur <i>“[...] how convincing the founders were.” //</i> <i>“The founder(s) also play an important role, of course, if no other information is available.”</i>	5
Success Prospects <i>“First and foremost, whether there is a market for it. Then, how the competition is/could be in the market. How scalable the business model was (or the possibility of franchise).” //</i> <i>“According to how many evidence I have that the business model could be successful [...].”</i>	36
Innovativeness of Entrepreneur and Idea <i>“Innovation, originality, usability.” //</i> <i>“Depending on how practical and useful I find the idea [...].”</i>	45
Backer Interest <i>“Personal interest in the topics has definitely been included.” //</i> <i>“Whether the company appealed to me with its philosophy.”</i>	31

Statements of single participants can be included in several focus topics.

*Translated to English by the Authors