

From: CityU Announcement Portal <noreply_cap@cityu.edu.hk>
Sent: Wednesday, September 28, 2016 5:45 PM
To: CHICK Florence
Subject: [CAP] (MKT) Research Seminar on 30 Sept, 2016 (Topic: Modelling the Role of Uncertainty in Cause-Based Crowdfunding: A Multiple Discrete Continuous Choice Approach)

From: Marketing



RESEARCH SEMINAR

Topic:

Modelling the Role of Uncertainty in Cause-Based Crowdfunding: A Multiple Discrete Continuous Choice Approach

Speaker:

**Mr. VANA Prasad
PhD Candidate
London Business School**

Date : 30 Sept, 2016 (Friday)

Time : 2:15 p.m. – 3:30 p.m.

Venue : Room 14-222, 14/F, Lau Ming Wai, Academic Building (AC3), CityU

Language : English

Abstract:

One of the prominent ways of online fundraising is cause-based crowdfunding. Cause-based crowdfunding websites typically host projects, requests to raise a target amount of donations for a specific cause on their website for a limited amount of time. In our setting, which is termed an 'All or Nothing' (AoN) setting, if a project does not raise its target amount within its allocated time, all the funds raised are returned back to the donors as credit on the website (not cash) to be transferred to other projects. A major

marketing challenge faced by crowdfunding projects is to raise their target amount within their allocated time. Likewise, donors who evaluate which crowdfunding projects to support are potentially concerned not only with their preference for the cause but also the uncertainty about whether or not a given project would eventually raise its target amount. In this research, we ask how the uncertainty of an individual donor over whether a particular crowdfunding project will eventually raise its funds contributes to their decision whether or not and how much to contribute to the project. We develop a structural model of donors' contributions to AoN cause-based crowdfunding projects, accounting for their uncertainty about whether a project will reach its target and the effect of the donor's uncertainty over project completion on the amount that they contribute. We estimate our model on data obtained from the US educational crowdfunding website Donors Choose. Our results demonstrate that donors' evaluation of uncertainty of project completion is an important driver of whether and how much a donor contributes to a project.

Prasad VANA is a Marketing Ph.D. student at London Business School. His research interests include empirical marketing problems of consumer behavior in online environments. He received his B.E. from IIT Madras, India and M.S. degree in Engineering from the University of Texas at Austin.

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