Sharing Stories About Venture Creation: How Crowdfunding Audiences React to Experimentation and Planning in Entrepreneurial Narratives

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Early-stage entrepreneurs must mobilize resources and support to develop their business. Our study focuses on how narratives related to experimentation and planning affect success in mobilizing resources. Using data from a leading crowdfunding platform and two online experiments, we find that novice entrepreneurs – those who lack prior experience on the platform – who describe an experimental strategy for developing their venture are more likely to raise funds than others, but this positive effect goes away with experience. On the other hand, planning narratives are beneficial for both novice and experienced entrepreneurs, and even increase their impact for experienced entrepreneurs. Through this study, we show that narratives including the "how" of venture creation – experimentation and planning – are valued by important audiences, but that their effect depends on the experience of the entrepreneur in different ways. With the growing emphasis among entrepreneurs on experimentation and lean start-up techniques, this research clarifies the contingent ways in which narratives about these activities can help nascent entrepreneurs gain access to resources as well as the risk they carry for those with more experience.

Keywords: Resource Mobilization; Entrepreneurship; Rhetorical Strategy; Experimentation; Planning; Crowdfunding

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Introduction

How should entrepreneurs tell their story? Stories can have a profound effect on entrepreneurs and their businesses, as they support important parts of the process of establishing a new venture (Aldrich and Fiol 1994). Studies at the nexus of organizational narratives and cultural entrepreneurship have shown that stories contribute to the process of resource mobilization by highlighting the extant stocks of entrepreneurial capital and facilitate the legitimation of new ventures (Lounsbury and Glynn 2001; Martens et al. 2007; Bartel and Garud 2009; McDonald and Gao 2019). In the early-stages of organizing, entrepreneurs develop narratives[1] that address questions about who they are, why they are qualified, and what they want to do (Wry et al. 2011). As such, resonant narratives compensate for the lack of a performance history and contribute to resource mobilization (Zott and Huy 2007; Clough et al. 2019; Murray et al. 2020). But it is especially difficult to create a coherent narrative as the founder of a nascent venture, building from events and plots that have only partly unfolded (McDonald and Gao 2019; Radoynovska and King 2019). While we know that narratives can engage important audiences for new ventures, comparatively little research has looked at the elements of entrepreneurial narratives that forge a coherent and promising narrative when early stage ventures have only fragmentary and incomplete narratives to share (Varaa et al. 2016; Fisher et al. 2021).

In this paper, we focus on narratives that share the strategy of the venture. Strategy narratives are important because they create a discourse of direction – a story in which the organization is a key actor facing a challenge that is resolved through the proposed strategy (Barry and Elmes 1997; Fenton and Langley 2011), yet research has not systematically examined their role in resource mobilization. This study proposes that strategies for new venture construction typically involve two fundamental processes, experimentation and planning. We explore how narratives that invoke these strategies – experimentation and planning narratives – mobilize resources. We argue that both types of narratives will enhance the unity

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[1] We follow previous studies (Barry and Elmes 1997; Shipp and Jansen 2011; Dalpiaz and Di Stefano 2018), in using the terms story and narrative interchangeably.

and coherence of the narrative by increasing the legitimacy of the venture in the eyes of important audiences, ultimately aiding the mobilization of resources for the venture. We also theorize that these narratives should be consistent with other information that convey competence and legitimacy. We focus on experience and predict that for experienced entrepreneurs audiences will favor planning narratives over experimentation. In this way, a narrative that shares an entrepreneur's strategy can generate valuable support beyond what might come from other narrative elements.

We test our predictions using 54,160 project descriptions from Kickstarter, the largest crowdfunding platform for creative projects. In the last ten years, there has been a proliferation of crowdfunding platforms with important repercussions for how early-stage entrepreneurs mobilize key resources (Fleming and Sorenson 2016). While crowdfunding is a relatively new phenomenon, it is becoming increasingly important for the financing of new ventures (Wright et al. 2016), with some studies showing that crowdfunding is becoming a substitute for venture capital investments at the seed stage (D'Ambrosio and Gianfrate 2016). Importantly for this study, crowdfunding represents a rich setting that makes interactions and communications between early-stage entrepreneurs and potential resource providers observable and measurable (Clough et al. 2019; Dushnitsky and Matusik 2019). Consistent with our predictions, we find that entrepreneurs using an experimentation narrative are more likely to obtain funding than entrepreneurs who rely on planning narratives or who do not share strategy narratives at all. This effect, however, is driven entirely by inexperienced entrepreneurs. When entrepreneurs have more experience, the relationship reverses, with the audience reacting positively to planning narratives and no longer reacting positively to those who share experimentation narratives. This highlights that strategy narratives need to be consistent with entrepreneurial experience to preserve and build narrative coherence. To check whether these findings represent true causal relationships, we also conducted two online experiments that replicate the setting on Kickstarter with an audience of potential resource providers. Results from these experiments align with findings from the observational data from Kickstarter. These experiments further suggest that

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experimentation narratives undermine attributions of knowledge for experienced entrepreneurs, while planning narratives reinforce them.

By exploring how experimentation and planning narratives support the process of resource mobilization in the context of early-stage entrepreneurship, we make contributions at the nexus of organization, entrepreneurship, and strategy. We contribute to the literature on organizational narratives and entrepreneurial storytelling by enhancing our understanding of how and when storytelling benefits entrepreneurs (Lounsbury and Glynn 2019), and empirically showing the importance of strategy narratives for resource mobilization. We also contribute to the literature on entrepreneurial strategy. In this area, there is growing emphasis on experimentation as an appropriate choice to improve performance in early-stage entrepreneurship (Kerr et al. 2014; Manso 2016; Gans et al. 2019; Camuffo et al. 2020), but it is not clear whether describing experimentation helps attract resources or puts them at risk. Through this study, we show that entrepreneurs with different levels of experience can win over potential resource providers by favoring experimental or planning narratives in different ways. This also highlights the tactics that entrepreneurs can use to gain attention and credibility for their ventures, increasing their likelihood of mobilizing resources. Finally, we contribute to the entrepreneurship literature by showing that the positive effect of these narratives interacts with the experience of the entrepreneur in different ways for experimentation and planning. Experimentation appears to be a valuable substitute for knowledge from experience but – at least from the perspective of resource providers – prior experience also substitutes for the value of experimentation. Planning activities have value independent of the knowledge and experience of the entrepreneur. While it takes time to build human and social capital to gain credibility, in the short term entrepreneurs can learn to deploy narrative elements depending on their experience so that they can mobilize the resources needed for their venture.

Theoretical Background

Narratives are forms of communication that help establish actors in social settings (Lounsbury and Glynn 2001; Lounsbury and Glynn 2019) by presenting unifying accounts of events, characters, and actions

(Bartel and Garud 2003). They play a fundamental role in many social interactions because they mobilize other actors by generating interest and commitment (Martens et al. 2007; Clough et al. 2019). In particular, they help establish legitimacy through identity and connections to the broader culture (Lounsbury and Glynn 2019), and – importantly in the context of entrepreneurship – they reduce uncertainty "by framing the new venture (often through metaphor and analogy) in terms that are understandable and thus legitimate" (Lounsbury and Glynn 2001: 549). The acquisition of legitimacy in entrepreneurship is tied to the resolution of key uncertainties (Fisher et al. 2017). Most studies on narratives focus on key elements of story that create a unified whole. Narratives typically involve a central actor with an object or goal that they seek (Lounsbury and Glynn 2001). In addition, the events in the narrative are typically sequenced or plotted in a chronology (Garud et al. 2014). This unifying element of plot often contains a tacit or explicit causal interpretation of how some events are linked to others, and it makes narratives irreducible in the sense that audiences absorb them as "an overall gestalt" (Bartel and Garud 2009). Unity is critical for engaging audiences, and it can be especially hard to establish in a context where so little of the plot of the venture has yet unfolded (Fisher et al. 2021). Relatedly, a second stream of literature on narratives has consistently shown how fragments of narratives help mobilize resources by conveying a comprehensible identity for an entrepreneurial firm (Lounsbury and Glynn 2001; Martens et al. 2007; Vaara et al. 2016). Entrepreneurs typically employ more or less developed narratives, ranging from fully-fledged stories to provisional narratives, or narratives that "capture fragments of activity without a clear plot" (Bartel and Garud 2009: 108). These narrative fragments will arise when the actions in the narrative are still not complete, when the ending is not known, or when the narrative lacks a plot. These provisional narratives can be very important because they provide the material out of which more structured narratives are built by multiple social actors (Garud et al. 2014; Steigenberger and Wilhelm 2018). This view contrasts with research in more established organizations, where narratives are conceived of as structured stories with a beginning, middle, and ending, and offer a specific point of view through a plot (Boje 2008). With this fragmentary communication, however, in which narrators are attempting to win the support of an audience, we are just beginning to understand which narrative elements can strengthen unity and increase the impact of the story (Manning

and Bejarano 2017; Murray et al. 2020; Fisher 2021). In this paper, we explore how strategy narratives strengthen connections across elements of the narrative and help project the narrative forward into a successful future, as detailed in the next sections.

Planning and Experimentation as Strategy Narratives

Planning and experimentation are cognitive approaches to structure information and manage action in the entrepreneurial process, also described in the strategy literature as "*technologies of rationality*" useful "for guiding organizations toward favorable outcomes" (March 2006: 202). These two strategies help entrepreneurs structure their actions in the face of the uncertainty inherent in the entrepreneurial process (Wiltbank et al. 2006). We refer to early-stage planning as the "process by which the entrepreneur, in exploiting an opportunity, creates a vision of the future and develops the necessary objectives, resources, and procedures to achieve that vision" (Sexton and Bowman-Upton 1991, p.118). While seemingly useful, the evidence for its utility in practice has been mixed, with some studies finding that planning is beneficial to performance (Delmar and Shane 2003; Brinckmann et al. 2010; Greene and Hopp 2017), and others finding no effect (Bhidé 2000; Lange et al., 2007, Dencker et al. 2009).

Often proposed as an alternative to planning – though plausibly a separate or complementary tool – experimentation includes various activities (typically low-cost) that allow decision-makers to understand if changes should be made to their strategy (Furr 2009). The idea that experimentation is well-suited to complex and unstable environments has been popularized by movements such as design thinking (Dunne and Martin 2006) and lean startup (Ries 2011; Eisenmann et al. 2011). In parallel, emerging theories in entrepreneurship research such as effectuation (Sarasvathy 2001) and entrepreneurial bricolage (Baker and Nelson 2005) have developed explanations of entrepreneurial behavior that place experimentation and improvisation at the heart of entrepreneurship. In line with these views, experimentation is emerging as a powerful strategy to navigate the process of new venture creation (Kerr et al. 2014; Gans et al. 2019), with recent empirical studies providing initial evidence of its positive effect on performance (Koning et al. 2019; Camuffo et al. 2020; Cohen et al. 2019; Leatherbee and Katila 2020; McDonald and Eisenhardt 2020).

A few studies on organizational narratives have examined the effect of strategy narratives on performance outcomes, though evidence remains limited. The first studies in this area focused on the content of documents that describe important strategic choices – and on the effect that describing a planning approach might have on resource providers. These studies (Santos and Eisenhardt 2004; Martens et al. 2007) examined the characteristics of initial public offering prospectuses and found that the use of strategy narratives related to planning had a positive impact on the resources elicited as it seemed to facilitate risk assessment. Kirsch et al. (2009) studied planning narratives more directly but found limited support for their effect on VC investments. In the context of student competitions, Contigiani and Young-Hyman (2020) analyzed 110 entrepreneurial pitches to examine the impact of experimentation and planning in combination with formal vs. informal organizational structures. They find preliminary evidence that coherent combinations of planning and experimentation narratives and structural choices result in more positive evaluations from expert judges.

Two key observations emerge from the review of existing studies in this area. First, as Barry and Elmes (1997) noted, scholars were starting to question the utility of planning as a key strategic approach the end of the nineties. As a consequence, "the archetypes on which strategic narratives are based may also change" (Barry and Elmes 1997: 443). The last two decades have seen an increased focus on experimentation as a new strategic archetype (Murray and Tripsas 2004; Gans et al. 2019), with research in this area still developing. This partly explains why there are so few studies on experimentation narratives. Second, it is inherently difficult to observe the process of resource mobilization, and most studies have focused on settings where this process is observable such as VCs or angel investors (Dushnitsky and Matusik 2019). However, recent phenomena are providing valuable settings to measure and study the effect of narratives in the critical period of new venture creation, which represents 'an important but understudied area of resource mobilization research' (Clough et al. 2019: 249). Increasingly, researchers are examining the effect of various narratives on resource mobilization in the context of crowdfunding (Manning and Bejarano 2017; Allison et al. 2013; Murray et al. 2020). Taken together, these studies suggest that narratives

can be a mechanism that facilitates resource mobilization by reducing uncertainty and establishing the legitimacy of early stage ventures. But we still know little about how early stage entrepreneurs create a coherent and convincing narrative from the fragments and incomplete stories available to them. We propose that planning and experimentation narratives act as important elements that strengthen and unify the fragmented and provisional narratives from early-stage ventures.

Do Experimentation and Planning Narratives Help Mobilize Resources?

By "professionalizing" (March 2006) and "structuring" action (Jarzabkowski and Kaplan 2015), experimentation and planning strategies establish an actor as comprehensible and legitimate to others. From a narrative perspective, an important role that experimentation and planning play is strengthening the coherence or unity among the elements an incomplete story, thus increasing the impact of narrative fragments for an audience. Research on entrepreneurial narratives shows coherence is important for entrepreneurial ventures to be perceived as legitimate (Lounsbury and Glynn 2001; Navis and Glynn 2011; Snihur et al. 2021), especially when it comes to internal consistency with other aspects of the ventures (Cornelissen et al. 2011; Fischer et al. 2014). Empirical evidence points to the importance of consistency for resource mobilization among early-stage entrepreneurs. Manning and Bejarano (2017) find that the internal consistency of narratives is crucial for successful crowdfunding projects, while Scheaf et al. (2018) find that the consistency between visual cues and substantive signals significantly contribute to funding success. Leung and Sharkey (2014) show that there is a penalty for category spanning in the context of crowdfunding projects, since entrepreneurs are perceived as less consistent.

We propose that strategy narratives will generate consistency by strengthening two key links across elements of the narrative: first from the entrepreneur's actions to events in the narrative and second from the nascent venture to future outcomes. These connections help engage audiences because they strengthen the unity of the narrative told by the entrepreneur and, they project the partial narrative forward into the future – offering a more convincing vision of a positive future (Navis and Glynn 2011; Garud et al. 2014). The first connection, between actions taken by the entrepreneur and the events of the narrative, is important

because it casts the entrepreneur more forcefully in a role with agency, in which she or he is the orchestrator of events early in the life of the venture (Garud and Giuliani 2013). Both planning and experimentation narratives do this by portraying the steps that the entrepreneur has already taken to create and develop the venture. In the case of planning narratives, resource providers are likely to be reassured by the definition of concrete steps to carry out the project, which provides pragmatic legitimacy to a venture (Suchman 1995; Garud et al. 2014; Fisher et al. 2017). In a number of studies, having a business plan has been shown to legitimize new ventures and convince resource providers (Burton et al. 2002; Martens et al. 2007; Parhankangas and Ehrlich 2014). Sharing steps such as prototypes or testing cements the central role of the entrepreneur by portraying them engaging with challenges and surmounting them through trial and error (Cornelius and Gopkinar 2020).

Beyond highlighting the active role that entrepreneurs play in the creation of the venture, planning and experimentation narratives lead audiences to project actions forward into the future. In the context of innovation, Bartel and Garud (2009) have shown that narratives are helpful for new ventures because they create a link between present and future activities. In entrepreneurship, strategy narratives provide evidence of the capability of the entrepreneur to carry the venture to successful fruition in the face of uncertainty (Garud et al. 2014; Seidel and O'Mahony 2014) and help reduce uncertainty by highlighting the entrepreneurs' individual capabilities (Fisher et al. 2016). When entrepreneurs use planning or experimentation narratives, they connect the narrative fragments around the central role of the entrepreneur and tie the venture more strongly to potential positive future resolution.

While we expect both planning and experimentation narratives to strengthen these links to the future, they will do so differently. Both types of strategies address key risks and uncertainties associated with new ventures, but experimentation offers more flexibility as entrepreneurs try things out, learn, and iterate (Koning et al. 2019). When entrepreneurs recount an experimentation narrative, they are sharing a learning process to explore uncertainty. In contrast planning makes direct commitments about the future in the form of milestones and timetables, but it minimizes the role of uncertainty and foregoes opportunities

for learning (Wiltbank et al. 2006). Likewise, a key benefit of experimental activities over planning is that experimentation may be the most effective way to gather information and ultimately thrive in a dynamic and uncertain environment (Kerr et al. 2014). Experimental activities can provide information about product feasibility (Murray and Tripsas, 2004), increase the entrepreneur's knowledge of relationships amongst important business factors (Kerr et al. 2014), and provide further reassurance of the viability of a project (Camuffo et al. 2020). Thus, experimentation narratives show that entrepreneurs can achieve a more complete understanding of what will be required for their venture to be successful (Murray and Tripsas 2004). Planning narratives, instead, imply no learning or exploration (Wiltbank et al. 2006), as they tend to minimize uncertainty by segmenting it into specific steps and committing to overcoming uncertainty according to a specific timetable. Since uncertainty cannot be completely eliminated in the entrepreneurial process (Knight 1921; Alvarez and Barney 2007; Foss and Klein 2012; Gans et al. 2019), activities that acknowledge it and exploit opportunities to learn will create a more convincing links to the future for the venture since audiences can anticipate that entrepreneurs will use the same strategy and resourcefulness to overcome unexpected challenges in the future. For resource providers experimental narratives can provide an additional layer of reassurance that their expected returns will materialize: experimentation signals the quality of the entrepreneur's process as well as the likelihood of success of the specific project. Accordingly, we propose:

H1: *Experimentation narratives will increase success in mobilizing resources more than planning narratives.*

How Do Experimentation and Planning Interact with Entrepreneurial Experience?

Compared to the high level of uncertainty faced by entrepreneurs, resource providers have even less information about an early stage venture since they depend almost entirely on information shared by entrepreneurs (Brinckmann and Kim 2015). Without a performance history, new ventures tend to lack legitimacy in the eyes of an audience to which they appear neither comprehensible nor meaningful (Martens et al. 2007; Zott and Huy 2007; Fisher et al. 2016). When deciding whether to support a venture, resource

providers are simultaneously trying to evaluate the quality of the venture and the capability of entrepreneurs to create the vision they lay out (Cornelius and Gopkinar 2020). This has resulted in a longstanding debate in entrepreneurial finance on whether to "bet on the jockey vs. bet on the horse" (Kaplan et al. 2009), but it is generally accepted that resource providers are looking for reassurances of quality in both the project (the horse) and the jockey (the entrepreneur).

In this context, research shows that experience is associated with entrepreneurial competence and this is important for a venture to be positively evaluated by resource providers, particularly in the context of VC (Delmar and Shane 2006; Hsu 2007; Ko and McKelvie 2018). While prior experience creates expectations of a venture's future performance, it can also create expectations that clash with other information or narratives shared by the entrepreneur. Experience communicates knowledge and competence, while experimentation highlights uncertainty and ongoing learning, which is at odds with the expectations that derive from knowledge. In the previous section, we highlighted the importance of consistency in narratives. The challenge of narrative coherence is that when narrative elements are not consistent, they will undermine its unity (Lounsbury and Glynn 2001; Martens et al. 2007; Dalpiaz and Di Stefano 2018), and make actors appear less legitimate (Hampel et al. 2020; McDonald and Gao 2019). In the case of strategy narratives, we expect that entrepreneurs' experience is likely to shape how audiences react to experimentation and planning narratives. We argue that experienced entrepreneurs will benefit less than other entrepreneurs from experimental narratives, which communicate a narrative inconsistent with the knowledge and authority that audiences expect from an experienced entrepreneur.

Some studies have shown that prior experience plays a powerful role in resource mobilization for early-stage entrepreneurs (Short et al. 2017). Butticè et al. (2017), in particular, show that serial entrepreneurs on Kickstarter are more likely to succeed. Skirnevski et al. (2017) confirm the same results of Butticè et al. and find that serial entrepreneurs can leverage loyal backers from previous campaigns to achieve success. With regards to experimentation and planning, we expect experience with previous projects to communicate that entrepreneurs have learned from prior experience in a specific domain (Butticè

et al. 2017). However, the use of experimentation narratives indicates that entrepreneurs are less clear about their course of action and are still learning by doing (Wiltbank et al. 2006). We expect, therefore, that experimentation narratives will be perceived as inconsistent with the benefits of prior experience so that new entrepreneurs will benefit the most from experimentation narratives. A planning narrative, instead, shows that the entrepreneur has mapped out key steps to bring their venture to fruition. If anything, planning should be perceived to be more accurate and fruitful when entrepreneurs have prior experience on which to base those judgments. Therefore, planning narratives should be perceived to be consistent with prior entrepreneurial experience. Accordingly, we propose:

H2: *The positive effect of experimental narratives on resource mobilization will be greater for entrepreneurs with no prior experience than for those with prior experience.*

Empirical setting and methods

To examine the relationship between narratives and resources mobilized we use data from three studies, leveraging complementary observational and experimental designs to examine early-stage entrepreneurship in the context of crowdfunding. We focus on reward-based crowdfunding, where backers receive perks such as advance versions of a funded product (Allison et al. 2013). Entrepreneurs mobilizing resources through reward-based crowdfunding campaigns face a set of distinct issues. First, they solicit resources from an audience that consists of domain experts, enthusiasts, and laypeople who support projects for a mix of intrinsic (such as contributing to helping innovative projects) and extrinsic motivations (such as obtaining a product in return for a pledge). Second, crowdfunding platforms are structured around online interactions between entrepreneurs and potential resource providers (Steigenberger and Wilhem 2018). This means that there are fewer opportunities for them to exchange information through face-to-face interactions, which might convey additional information about the quality of the founder or the venture (Clingingsmith and Shane 2018). Ultimately, the picture is still emerging for the factors that contribute to successful resource mobilization in these early stages of entrepreneurship (Short et al. 2017; Clough et al. 2019). As recent research shows (Murray et al., 2020), even project creators lack awareness of what helps them succeed in

this setting. Initial studies have shown, though, that early stage resource mobilization in this context relies on narrative elements that will engage and motivate audiences (Clough et al. 2019; Murray et al. 2020; Fisher et al. 2021).

In study 1, we use observational data collected from the largest crowdfunding platform for creative projects: Kickstarter. Since raising financial support is a priority for initial resource mobilization, a crowdfunding platform represents a useful setting to explore the relationship between narratives and mobilizing resources. We do so by coding for the presence of experimentation and planning narratives and relating it to fundraising success on the platform. This observational study leverages a large sample of projects from a wide range of industries, and provides initial evidence consistent with the relationships predicted in H1 and H2. To establish causality and explore mechanisms behind the impact of experimentation and planning narratives, we employ two online experiments. In studies 2 and 3, online experiments replicate the observational results from Kickstarter and identify the drivers behind the choices of backers to support crowdfunding efforts. The observational and experimental designs are complementary as the observational data provide correlational evidence in a realistic setting, and the online experiments allow for causal estimation in a controlled environment. With the convergence of results across these multimethod studies, these studies offer stronger claims to generality and causal relationships than just one study could.

Study 1

Study 1 uses data from Kickstarter, a crowdfunding platform where creators and entrepreneurs can showcase projects to draw financial support from individuals (called backers) who obtain a reward in return for small amounts of money. If projects achieve their funding targets by a designated deadline, they receive the full amount pledged by backers. If not, project creators do not receive any funding. Kickstarter is a rich setting in which to study the effect of experimentation and planning narratives on funding because it provides a large population of early-stage entrepreneurs presenting new venture ideas to an audience of potential resource providers. These entrepreneurs have typically taken some steps to develop their idea, but

they rarely present a fully realized product. Moreover, using this setting allows us to overcome empirical challenges traditionally associated with studying early-stage resource mobilization, a phenomenon that is difficult to observe and measure (Clough et al. 2019). Finally, in this setting we observe entrepreneurs operating in multiple domains (thus avoiding idiosyncrasies related to one specific industry), and we observe both projects that reach their funding goals and projects that do not (avoiding survival bias). Through web-scraping software, we collected detailed information regarding all projects launched on Kickstarter from the beginning of March 2016 to the end of February 2017. Our dataset comprises 54,160 projects across 15 different product categories.

Measures

The outcome in our model is the crowdfunding project's success in attracting resources, which we operationalized using multiple variables: (i) a binary variable (Success) that indicates whether or not entrepreneurs reached their funding goal by the stated deadline; (ii) the percentage of the funding goal raised (which can range from zero to many times the target); (iii) the amount of money raised (in dollars); (iv) and the number of individual resource providers that entrepreneurs attract.

We use several explanatory variables, as detailed below.

Planning/Experimentation narratives: We used natural language algorithms to measure narratives related to experimentation and planning. On the platform, entrepreneurs provide a project description that ranges from 99 to 32759 words. We followed the procedure proposed by Short et al. (2010) to ensure the validity of the content coded using computer aided text classification. Structured keyword searches build on research in psychology (Pennebaker et al. 2003) in order to capture underlying constructs through natural language (McKenny et al. 2016). We explain the coding process in detail in the Online Appendix and summarize it in Figure 1 below:

***** Figure 1 About Here *****

Our process relies on a keyword search using terms derived from a literature review on the topic of experimentation and planning in early-stage entrepreneurship. External raters validated the lists of words derived from this literature, and these lists were the basis for searches of the project descriptions using

functions in Python's NLTK library. We generated two binary variables (one for experimentation, and one for planning) equal to 1 if a keyword is present in a project description and equal to 0 otherwise. Since keyword searches come with some measurement error, we performed additional steps to quantify and reduce the occurrence of false positives and false negatives in the search results. For instance, we found regular occurrences of "Kickstarter goal" which refers to the amount of money targeted by the entrepreneur and not a goal for planning activities. We catalogued all such pairs of words, or bigrams, and removed them from the text.

Prior experience: the number of projects that entrepreneurs created on Kickstarter prior to launching the current project. Entrepreneurs who have previously created projects might benefit from prior experience on the platform, for instance by recruiting donations from previous backers.

In our analysis, we include a number of control variables (related to either the project or the project creator) that may affect fundraising on Kickstarter, as detailed below.

Staff Pick: a dummy variable that indicates if projects are featured on Kickstarter's home page and in its newsletter to control for increased visibility, following Steigenberger and Wilhelm (2008).

Goal Amount: the logarithm of total funding requested for the project, following Colombo et al. 2015.

Duration of campaign: the pre-determined duration of the crowdfunding campaign in number of days.

Length of project description: the length of the project description as a count of words.

Product novelty: a dummy variable equal to 1 if the project description contains words associated with novelty, and equal to 0 if it does not. We derived words associated with novelty through projects classified as innovative by Kickstarter.

Tone: the extent to which the project includes positive vs negative words, following Anglin et al. (2018).

Number of rewards offered: the number of rewards each project offers,.

Unit backers: the number of backers that provided the smallest possible pledge to each project (1 dollar, euro, or equivalent currency).

Video: a dummy variable equal to 1 if the project features a video, and equal to 0 if it does not.

Category: a set of 15 categorical variables for the domain category in which the project is listed.

Start date: the month in which each project is launched on Kickstarter.

Number of projects backed by the project creator: a count prior to project launch, squared to account for outliers.

Number of Facebook friends: the number of Facebook friends of project creators on Kickstarter.

Credentials: a dummy variable equal to 1 if project creators mention any credentials in their profile or project description and equal to 0 if they do not. Credentials include: (i) mentions of prizes and awards, (ii) education-related credentials (mentioning a degree), and (iii) professional credentials (if project creators describe themselves as founders or CEOs). We code credentials using the NLTK library in Python and a keyword approach.

Statistical Methods

We estimate the following generalized linear model:

$$g\{E(Y)\}= \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 F \qquad (1)$$

This specification encompasses a set of common regression specifications – normal regression, logistic, and Poisson[2] – varying with the choice of underlying distributions for Y and link functions $g\{\}$. We use families of distribution (normal, binomial, or Poisson) and their canonical link functions (identity, logistic, or logarithmic) according to the type of dependent variable (labeled by model in Tables 2 and 3). The variable Y (funding outcomes) is defined as a function of the narratives used by entrepreneurs (X), which include experimentation (X_1), planning (X_2), and a combination of the two (X_3). The control variables are denoted by the vector F. For logistic regression models, we present estimates of the marginal probability of success. All models estimate robust standard errors.

Results

Our final dataset comprises 54,160 projects that were launched and concluded on Kickstarter between March 2016 and February 2017. We exclude project descriptions in languages other than English. Some

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[2] Poisson with Huber-White-Sandwich estimation of robust standard errors is now considered the most robust form of estimation for count and positive variables such as percentages though negative binomial used to be favored when data was "over dispersed" (Wooldridge 1999). Our results are even more consistent with theory (and a closer fit with data based on information criteria) when analysis is done with negative binomial regression.

projects raised funds in currencies other than USD, so we converted all amounts to USD using the official exchange rate provided by the European Central Bank as of April 1st, 2017. As shown in Table 1, on average each project attracted $11,334 in pledges from 122 backers. 34 percent of projects were successful in achieving their funding goal. Approximately 55 percent of the projects in our sample use only a planning narrative, while 19 percent use only an experimentation narrative, while 12 percent employ both planning and experimentation narratives.

*****Table 1 About Here*****

Table 2 shows our analysis with various operationalizations of the dependent variable. The results show that planning and experimentation narratives significantly increase the likelihood of successful funding, as well as the number of backers that donate to the campaign. Experimentation narratives have a positive impact on the likelihood to achieve funding, percentage of funding raised, and number of backers at statistically significant levels. In column 4, the effect of experimentation on total dollars raised is positive but not significant (p-value 0.13). The coefficient for planning narratives is also positive and statistically meaningful for funding success and number backers. Planning has a positive but non-significant impact on percentage of goal raised (p-value 0.12) and dollars raised (p-value 0.61). Overall, then, both narratives significantly increase the likelihood of obtaining funds and the number of resource providers, though not the raw amount raised, compared to projects that do not present these narratives. The interaction between planning and experimentation (when planning and experimentation narratives are both mentioned) has a negative coefficient, indicating that the effects of these narratives may not be fully additive. We also computed marginal effects to assess the economic significance of narratives on the likelihood of obtaining funding (column 2) and plot them in Figure 2 by setting all covariates at the mean level. Results show that compared to the baseline (no planning or experimentation narratives), experimentation narratives increase the likelihood of obtaining funds by six percent, while planning narratives increase this likelihood by four percent. While the estimated value of experimentation is greater than planning in all models in Table 2, the difference between the two is only significant for funding success (logistic) and percentage of funding. In Table 3 with the experience interactions, however, experimentation is significantly larger than planning in

all models except column 1 (ordinary regression). Overall, the results align substantially but not completely

with hypothesis 1. ***** *Table 2 and Figure 2 About Here* *****

To test hypothesis 2, we ran the same regressions used in Table 2 adding an interaction between

narratives and experience. Across the models, experimentation has a negative interaction with prior

experience, but this is only significant for US dollars raised and number of backers. For planning, in

contrast, we observe a positive and meaningful effect on funding success and dollars raised as experience

increases. Once again, the sign of the interaction with experience is consistently negative for

Experimentation and positive for Planning, but it is only statistically meaningful in a subset of the models.

Figure 3 shows plotted marginal effects on funding success for the interactions, and the pattern shows that

the effect of experimentation on funding success disappears at higher levels of experience while it grows

for planning. The results, then, are largely consistent with hypothesis 2.

***** *Table 3 and Figure 3 About Here* *****

One concern might be that Kickstarter provides a sample that is not relevant for entrepreneurship

more broadly, as many project creators on the platform require only small amounts of money and obtain

funding mostly from family and friends. We addressed these issues by running the same regressions only

for projects that set their funding goal at 10,000 USD or above. While this reduces our sample to about

35,000 projects, the results are in line with results presented in Table 2. As an additional robustness check,

we also gathered information on all serial entrepreneurs in our sample – those that created more than one

project during the observation window of this study. We collected the complete history of projects for these

entrepreneurs going back to April 2009 (when Kickstarter was launched), which includes 26,584 projects.

We do not have the full set of controls used for the analyses in Table 2, but we find that as these individuals

gain more experience, planning narratives continue to have a positive and significant effect on the

likelihood of funding, whereas experimentation narratives do not. These "within serial entrepreneur" results

are reported in the Online Appendix.

Discussion

Study 1 provides evidence partially consistent with hypotheses 1 and 2: across two large observational samples, we consistently find that experimentation narratives positively contribute to resource mobilization but more so for entrepreneurs without prior experience on Kickstarter. On the other hand, planning narratives contribute to the successful resource mobilization for both new and experienced entrepreneurs. This suggests the possible existence of a complementarity between planning narratives and experience, but not for experimentation narratives and experience. We further investigate these relationships through two online experiments (studies 2 and 3) that extend the findings from study 1 in two ways. Firstly, they replicate findings from the observational data with a randomized treatment. This addresses concerns about additional confounding factors and the self-selection of entrepreneurs and backers into projects and narratives. Secondly, they delve into the mechanisms behind the perception of experimentation and planning narratives, which are harder to observe with the observational data.

Study 2: Experimentation and planning narratives in an online experiment

This online experiment was conducted on Prolific, a platform that connects researchers with participants for human intelligence tasks or experiments. Prolific represents a suitable setting, as experiments using online marketplaces have been shown to produce results analogous to those conducted in a laboratory (Berinsky et al. 2012, Arechar et al. 2018). The experiment was designed to build on results from our dataset in three key ways. First, we used a slightly modified (and anonymized) project from our Kickstarter sample. Second, we replicated the language used by entrepreneurs on Kickstarter when using experimentation or planning narratives. Finally, we used a representative sample of potential resource providers who might be active on crowdfunding platforms – some of the participants to our study have prior experience backing crowdfunding projects and the results are actually stronger if we limit analysis only to those with crowdfunding experience. Prolific provides a pool of about 33,000 eligible participants. A significant concern with online experiments is that participants might carry out tasks without paying attention, providing random responses. To address this issue, we included an attention check at the beginning of the

survey, following Berinsky et al. (2014). Participants who failed to select the correct answer for the attention check answer were excluded.

Study 2: Set-up and procedure

We informed participants that Crowd Innovation Lab (a fictitious company that supports promising projects from crowdfunding platforms) was using Prolific to conduct a survey and assess the general interest in new products available on crowdfunding platforms. Results from the survey would help Crowd Innovation Lab decide whether or not to support new products available on crowdfunding platforms. Participants were debriefed at the end of the experiment and informed that the company was fictitious. We introduced this fictitious company because we wanted participants to believe that real resources were going to be invested in the project, thus seeking to increase the attention participants paid to this task. Participants who volunteered for the experiment and passed the attention check were then shown a modified project description from a real Kickstarter project from our sample (we removed identifying details). The product was a new type of pillow, which featured adjustable height, extra softness, and customizable options. We chose a pillow because it is a gender-neutral product that everyone uses on a daily basis and that is not normally associated with a strong emotional response. The experiment is reproduced in the Online Appendix. We randomly assigned 500 participants to one of five conditions, opting for a between-subject design. Participants received the same information about the pillow across all five conditions, while the treatment involved variation in the narratives by the entrepreneur, as described in Table 4. Participants were then asked to report the extent to which they would like to fund the project. Participants were only allowed to participate in this experiment once.

***** Table 4 About Here *****

Allocating participants to five conditions allowed us to replicate the different scenarios faced by backers on Kickstarter. We observed that on Kickstarter project creators either do not describe activities conducted to create their product (in which the experimentation or planning narratives could have fitted) or

describe such activities without employing either experimentation or planning narratives. We included both neutral conditions in our experimental setting, but we show results for a baseline condition with a neutral description of entrepreneurial activities (no planning or experimentation narratives), which results in the most conservative findings. Results are almost identical when we use as a baseline the project that does not contain any description of the activities conducted by the entrepreneur. For brevity's sake we do not report these results, but they are available upon request.

Study 2: Results

Results presented in Figure 4 and Table 5 show that participants were more willing to fund projects that include planning and experimentation narratives, but that there was not a meaningful difference between projects that use a planning or an experimentation narrative. The project that used an experimental narrative, in particular, resulted in a 17% (p-value= 0.013) increase in the reported likelihood to provide funding compared to conditions without a description of entrepreneurial strategy. The condition of planning resulted in a 12% (p-value=0.079) increase in the reported likelihood to provide funding compared to the condition where there is no strategy narrative.

***** Figure 4 and Table 5 About Here *****

Overall, these results show that planning or experimentation narratives are valued by a crowd of potential backers, as indicated by participants reporting a higher willingness to fund the project. This result is consistent with the analyses from the observational data on Kickstarter, since the direction of the effects in the experimental setting is comparable. Results are also consistent when we use a different dependent variable (such as amount of money that participants would donate to the project). Finally, the study shows a stronger effect (the coefficients are larger) when the sample is limited to participants with prior crowdfunding experience. We report these results in the Online Appendix.

Study 3: Experience, planning, and experimentation narratives in an online experiment

Study 3 builds on the previous experiment by testing interactions between entrepreneurial experience and planning and experimentation narratives while shedding light on key mechanisms behind participants' preferences. We used the same setting (Prolific) and the same protocol (a fictitious crowdfunding project to produce a new pillow) as in study 2. We theorized that experimentation and planning narratives reassure resource providers because they represent a resonant story that makes the venture appear legitimate. This is because the entrepreneur provides reassurance about his/her strategic approach to developing the venture. However, the approach chosen must be consistent with the experience the entrepreneur has. In study 3, we therefore measured how constructs related to the uncertainty associated with crowdfunding projects vary with different narratives (experimentation, planning, control) and levels of experience of the project creator (first-time vs. experienced creator).

Study 3: Set-up and procedure

Participants were randomly assigned to a version of the same fictitious crowdfunding project (pillow) used in study 2. For this reason, we restricted participation to users on Prolific who did not participate in study 2. We randomly assigned 600 participants to one of six conditions, opting for a between-subject design. Like in study 2, participants were shown the same product across all six conditions. The treatment includes conditions of experimentation or planning narratives combined with low experience (no prior projects on the platform) or high experience (three prior projects on the platform) of the founder (described in Table 6). We collected information regarding the reported willingness to fund the project. Participants could participate in this experiment only once.

***** Table 6 About Here *****

Study 3 was also designed to explore the mechanism behind the assessment of strategy narratives. Our key argument is that prior experience creates expectations of a venture's future performance, but it can also create expectations that clash with other elements communicated by the entrepreneur. In particular, we theorize that experience communicates competence and knowledge, while experimentation highlights uncertainty and ongoing learning, which is at odds with the expectations that derive from knowledge. We

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test this argument in the experiment by including questions to understand the judgments of the experimental subjects about the project and the entrepreneur behind it. At the end of the experiment, we asked respondents to report how knowledgeable they perceive the founder to be, and we examine if this perception changes across control and treatment conditions. In addition, we measure subjects assessments of four types of uncertainty that have been identified in the entrepreneurship literature: market uncertainty (Sarasvathy 2001; Foss and Klein 2012; Kirtley and O'Mahoney 2020), product uncertainty (McGrath 1997; Folta 1998; Gans and Stern 2003), project uncertainty (Mollick 2018), and founder uncertainty (Younkin and Kuppuswamy 2018). As the primary outcome, we asked respondents to report their willingness to fund the project after reading the description. The experiment and our measures are reproduced in the Online Appendix.

Study 3: Results

Results presented in Table 7 and Figure 5 show that participants were significantly more willing to fund projects that use experimentation narratives when the project creator had no prior experience with crowdfunding projects. As a baseline, participants assigned to the conditions *planning first* and *experiment first* both showed a higher willingness to fund those projects than participants assigned to the condition *control first*. However, for a third-time project creator using experimental narratives, his/her chances of success decreased by 17% compared to a first-time project creator using the same description of experimental activities (p-value=0.006). With regards to planning narratives, the effect of experience was positive, as participants assigned to the condition *planning third* reported a higher willingness to fund the project than participants assigned to the conditions *experiment third* (p-value=0.017) and planning first (p-value=0.367). With regards to the measures of uncertainty, we did not find narratives affected measures of market uncertainty, product uncertainty, or project uncertainty. We did find, however, differences across conditions in terms of founder uncertainty and how knowledgeable the project creator is perceived to be. Results in Table 8 show that first-time project creators using experimentation narratives were rated 19% more knowledgeable than first-time project creators in the control, and this difference is statistically significant. With regards to planning, participants assigned to the condition planning third perceived entrepreneurs to be more knowledgeable than those in the experimentation (high and low

experience) or control conditions(high and low experience). Overall, it appears that experienced creators who use experimentation narratives are perceived as less knowledgeable, unlike experienced creators who use planning narratives. As a robustness test, participants to Study 3 also took part to an implicit association test (IAT). This test measured implicit association of the concepts of knowledge, experience, and planning and experimentation. Results indicated that knowledge and experience are strongly associated with planning but not experimentation. Participants could easily associate planning with knowledge and experience, but had a harder time linking experimentation with these constructs. This provides additional evidence that experience is perceived as inconsistent with experimentation by resource providers.

*****Figure 5 and Table 7 and 8 About Here *****

Taken together, these two experimental studies provide evidence that closely matches results from observational data collected on Kickstarter while strengthening the causal inference from the study. In both observational and experimental settings, the use of experimentation narratives is valued to a large extent by resource providers, but it does not retain its value as project creators gain experience on the funding platform. Planning narratives, however, are valued by resource providers and their value increases with experience. We also found evidence that judgement about knowledgeability of entrepreneurs changes with narrative type and experience. In particular, planning narratives from experienced creators are strongly associated with knowledge. Meanwhile, it appears that experimentation narratives undermine the perceived knowledgeability of experienced entrepreneurs, thus supporting the idea that experimentation is at odds with experience and its associated knowledge.

General Discussion and Conclusion

These studies show that entrepreneurs can strengthen the coherence of their narrative and their connection with important audiences by sharing details of their entrepreneurial strategy - the practices of planning or experimentation used to launch the venture. While these strategy narratives help knit together the narrative fragments of an early stage venture into a more coherent and promising whole, they also depend on the experience of the entrepreneur for strength and coherence. Narratives of experimentation resonate more

fully for first time entrepreneurs for whom audiences expect exploring and learning, but they can backfire for more experienced entrepreneurs. Conversely, planning narratives have value for both new and experienced entrepreneurs, but the minimization of uncertainty that they imply has greater impact for experienced entrepreneurs who are expected to be more knowledgeable and competent in their enterprise.

With the growing emphasis among entrepreneurs on experimentation and lean start-up techniques, this research clarifies when and how narratives about these strategies help nascent entrepreneurs gain access to resources. Many entrepreneurs tend to focus on their product or team when pitching to resource providers – however, this study points to the importance for early-stage entrepreneurs to also share the strategy and process they are using to launch and develop the new venture. While it takes time to build human and social capital to gain credibility, in the short term entrepreneurs can learn to strategically use narratives depending on their level of experience so that they are more likely to mobilize the resources they need for their venture. These results speak to several active conversations and theoretical traditions in entrepreneurship and strategy. For the literature on cultural entrepreneurship and narratives, our study highlights how planning and experimentation narratives help reduce uncertainty and build legitimacy in the eyes of key audiences. While experimentation and planning have long been thought of as ways to handle uncertainty in entrepreneurship, and extensively used in entrepreneurship pedagogy, this paper shows that they can also create compelling narratives that help entrepreneurs attract resources. These findings also connect with research that focuses on understanding how early-stage entrepreneurs engage and enroll stakeholders (Burns et al. 2015; Alvarez and Sachs 2018) but where empirical evidence has been somewhat scarce. Research in this area has developed conceptual underpinnings, but has struggled to validate theory empirically given the challenges associated with studying both narratives and early-stage entrepreneurship (Clough et al. 2019).

For the literature on entrepreneurial strategy, our key finding is that resource providers react positively when early-stage entrepreneurs share information related to experimentation and planning. But our study calls attention to the contingent value of narratives, which must be consistent with other aspects.

Organization theory and the entrepreneurship literature have frequently focused on the central role of knowledge and prior experience for entrepreneurial success (Grant 1996; Hsu 2007; Chatterji 2009; Agarwal et al. 2004). Our findings highlight that the appropriateness of some strategies for venture creation are at odds with the knowledge generated by experience, at least in the eyes of external audiences. This raises the question of whether this is a feature of audience perception or of entrepreneurial reality. This paper focuses on the relationship between resource providers and entrepreneurs but the findings suggest an interesting question for entrepreneurial strategy: is experimentation less helpful for entrepreneurs with prior experience? The finding that experimentation narratives undermine assessments of knowledgeability for experienced entrepreneurs might arise if resource providers do not distinguish between experience and experimentation as two distinct forms of knowledge from learning by doing. Alternatively, it could be that this is not just an aspect of resource mobilization but a reflection of a real limitation of more experienced entrepreneurs who are less equipped to learn from experimentation. For future research, it will be important to understand if this finding is representative of the biased perception of resource providers or if it indicates an underlying reality of the entrepreneurial process.

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FIGURES AND TABLES

Figure 1. Description of the coding process utilized, adapted from Short et al. (2010)

Step 1	Identification of a formal definition of planning and experimentation from literature on early-stage entrepreneurship
Step 2	Assessment of key components of planning/experimentation based on review of

	the literature (key components of the construct)
Step 3	Development of an exhaustive list of words that identify key constructs of interest
Step 4	Validation of these lists with external raters (calculating inter-rater agreement)
Step 5	Performing initial keyword search using the list validated by the raters
Step 6	Refinement of the word list through manual screening of results of keyword search
Step 7	Modifying the search algorithm to reduce false positives/false negatives

Figure 2. Plotted marginal effects Experimentation and Planning Narratives on Probability of Funding Success, all covariates at mean levels.
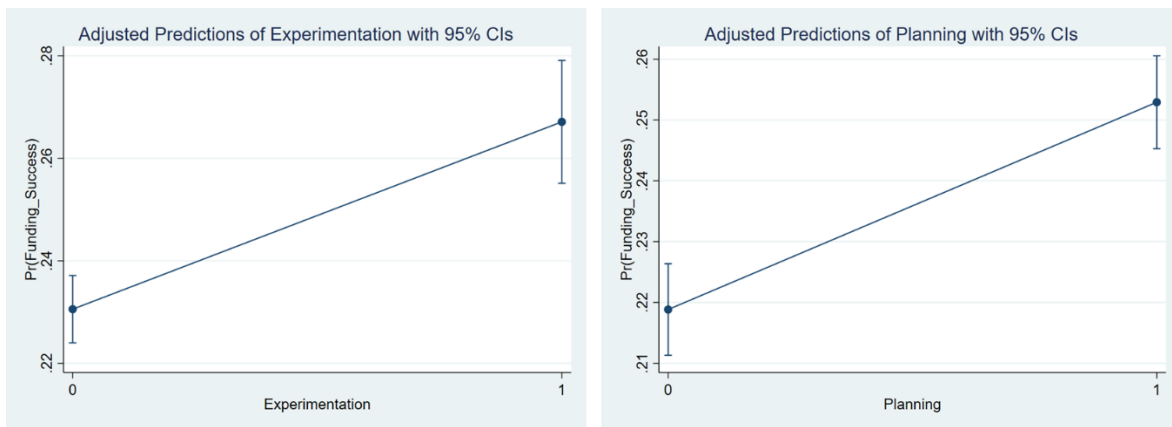
Figure 3. Plotted marginal effects on Funding Success for Experimentation and Planning Interacted with Prior Experience, all covariates at mean levels.
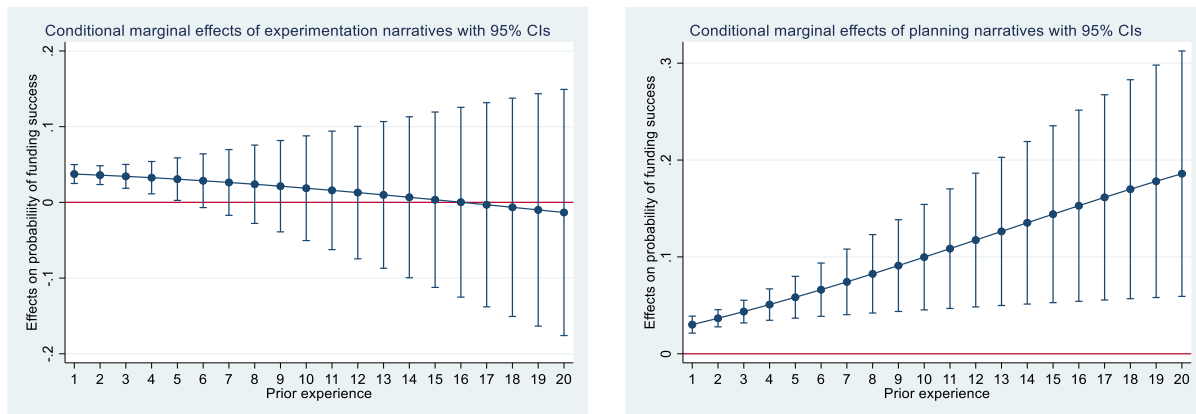
Figure 4. Reported willingness to fund Kickstarter project by experimental condition, study 2.
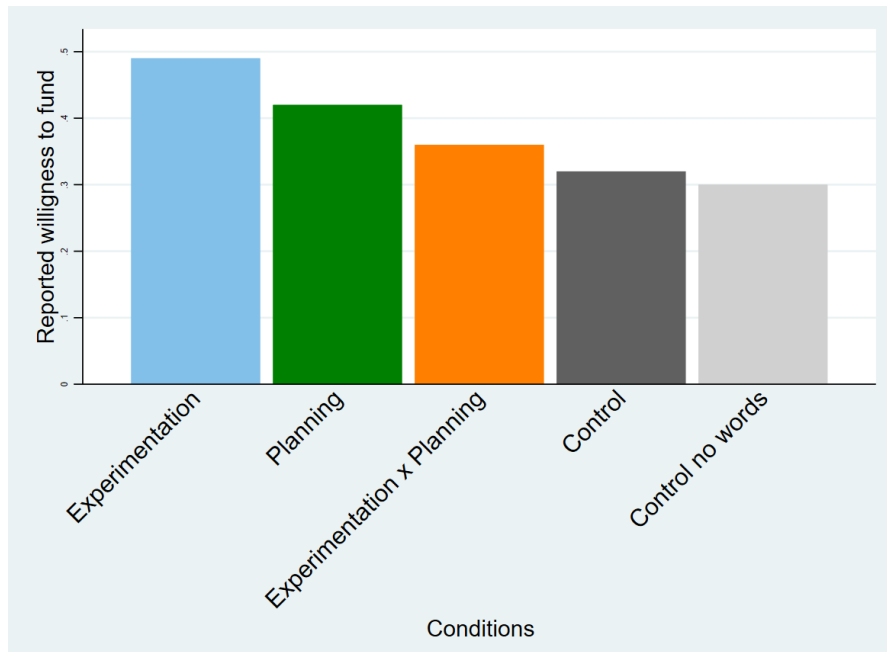
Figure 5. Reported willingness to fund Kickstarter project by experimental condition, study 3.
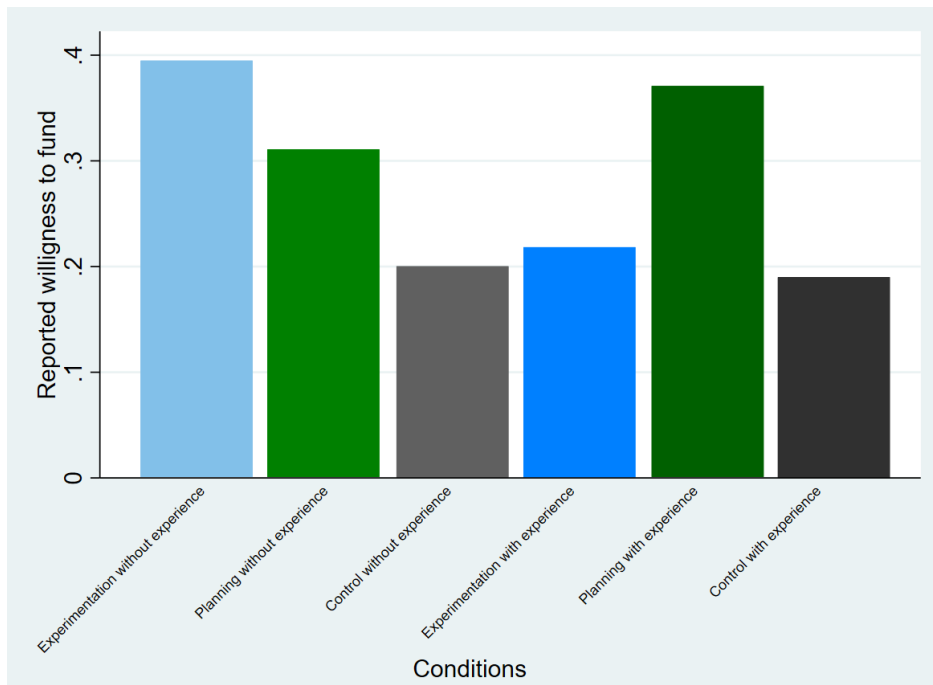
Table 1. Descriptive statistics for main variables

Variable	Mean	SD	Min	Max
Goal (USD)	56,159.85	1,322,212	.53	106,732,408
Amount Raised (USD)	11333.76	109458.2	0	12,779,807

Resources (% of goal)	7.35	579.84	0	104,277
Backers (number)	122.24	800.69	0	85,581
Backed by creator	5.58	24.87	0	1,903
Number of Facebook friends	463.76	859.76	0	4,999
Prior experience	1.66	2.48	1	78
Duration of campaign (days)	33.16	11.32	0	64
Success	0.34	0.47	0	1
Experimentation narrative	0.19	0.39	0	1
Planning narrative	0.55	0.49	0	1
Both narratives	0.12	0.33	0	1
Neither narrative	0.38	0.48	0	1

Table 2. Effect of Planning and Experimentation narratives on attracting resources.

|	(1) DV: Funding Success, OLS regression	(2) DV: Funding Success, Logistic regression	(3) DV: Percentage of funding, Poisson regression	(4) DV: Amount Raised, Poisson regression	(5) DV: Number of backers, Poisson regression
Experimentation	0.0325***	0.251***	0.569***	0.217	0.443***
	(0.00718)	(0.0510)	(0.164)	(0.137)	(0.135)
Planning	0.0297***	0.208***	0.109	0.0655	0.127**
	(0.00370)	(0.0264)	(0.0705)	(0.128)	(0.0543)
Experimentation x Planning	-0.0160*	-0.101	-0.389**	-0.0591	-0.338**
	(0.00900)	(0.0626)	(0.171)	(0.155)	(0.146)
Staff pick	0.315***	1.938***	1.230***	1.497***	1.347***
	(0.00654)	(0.0476)	(0.108)	(0.0800)	(0.0572)
Goal	-0.0764***	-0.627***	-0.575***	0.468***	0.258***
	(0.00106)	(0.00945)	(0.0288)	(0.0358)	(0.0245)
Length of funding period	-0.00235***	-0.0163***	0.00499*	0.00822*	0.00381
	(0.000151)	(0.00117)	(0.00289)	(0.00429)	(0.00258)
Number of rewards	0.0194***	0.149***	0.0411***	0.0343***	0.0350***
	(0.000538)	(0.00339)	(0.00414)	(0.00537)	(0.00508)
Novelty	0.00148	0.0146	0.221***	0.153*	0.125**
	(0.00394)	(0.0276)	(0.0780)	(0.0810)	(0.0535)
Tone	0.000798***	0.00612***	0.00303**	0.00103	0.000550
	(6.96e-05)	(0.000525)	(0.00125)	(0.00137)	(0.000940)

Length of description	-0.0106***	-0.0806***	-0.0236**	-0.00672	0.00951
	(0.000545)	(0.00415)	(0.0103)	(0.0125)	(0.00903)
Video	0.112***	0.903***	0.698***	1.348***	1.008***
	(0.00377)	(0.0290)	(0.0844)	(0.0742)	(0.0582)
Unit backers	0.00322***	0.0410***	0.00970***	0.00721***	0.00782***
	(0.000185)	(0.00365)	(0.000795)	(0.000973)	(0.000732)
Number of projects backed (squared)	0.0384***	0.259***	0.0543***	0.125***	0.114***
	(0.00125)	(0.00939)	(0.0131)	(0.0162)	(0.0127)
Number of project backed	1.45e-05***	9.60e-05***	4.65e-05	2.40e-05	4.32e-05
	(2.03e-06)	(1.35e-05)	(3.22e-05)	(3.27e-05)	(2.67e-05)
Prior experience	0.00882***	0.0587***	0.0355***	0.0307***	0.0262***
	(0.000823)	(0.00850)	(0.00488)	(0.00777)	(0.00543)
Constant	0.822***	3.018***	7.292***	1.773***	-0.334
	(0.0144)	(0.103)	(0.238)	(0.455)	(0.252)
Controls for Category	Yes	Yes	Yes	Yes	Yes
Controls for Start date	Yes	Yes	Yes	Yes	Yes
Observations	54,081	54,081	54,081	54,081	54,081

Robust Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

Table 3. Effect of Planning and Experimentation narratives on attracting resources, interaction with experience.

	(1) DV: Funding Success, OLS regression	(2) DV: Funding Success, Logistic regression	(3) DV: Percentage of funding, Poisson regression	(4) DV: Amount Raised, Poisson regression	(5) DV: Number of backers, Poisson regression
Experimentation	0.0349***	0.275***	0.570***	0.290**	0.480***
	(0.00786)	(0.0590)	(0.153)	(0.135)	(0.139)
Planning	0.0243***	0.159***	0.0847	0.00131	0.105*
	(0.00432)	(0.0347)	(0.0721)	(0.121)	(0.0559)
Experimentation x Planning	-0.0161*	-0.103*	-0.386**	-0.0282	-0.327**
	(0.00900)	(0.0625)	(0.172)	(0.152)	(0.145)
Prior Experience	0.00768***	0.0480***	0.0325***	0.0250***	0.0262***
	(0.00109)	(0.0111)	(0.00576)	(0.00683)	(0.00567)
Experimentation x Prior Experience	-0.00139	-0.0136	-0.000845	-0.0428**	-0.0183*
	(0.00198)	(0.0180)	(0.00972)	(0.0177)	(0.00949)
Planning x Prior Experience	0.00330**	0.0307**	0.00724	0.0238*	0.00826
	(0.00143)	(0.0145)	(0.00728)	(0.0140)	(0.00918)
Staff pick	0.315***	1.938***	1.231***	1.496***	1.347***
	(0.00654)	(0.0476)	(0.108)	(0.0798)	(0.0571)
Goal	-0.0764***	-0.627***	-0.575***	0.467***	0.257***
	(0.00106)	(0.00945)	(0.0289)	(0.0354)	(0.0244)
Length of funding period	-0.00235***	-0.0163***	0.00497*	0.00865**	0.00399
	(0.000151)	(0.00117)	(0.00288)	(0.00428)	(0.00258)
Number of rewards	0.0194***	0.149***	0.0411***	0.0344***	0.0350***
	(0.000539)	(0.00340)	(0.00415)	(0.00538)	(0.00508)
Novelty	0.00143	0.0138	0.221***	0.161**	0.128**
	(0.00394)	(0.0276)	(0.0774)	(0.0806)	(0.0534)
Tone	0.000802***	0.00615***	0.00306**	0.00133	0.000664
	(6.96e-05)	(0.000525)	(0.00125)	(0.00134)	(0.000927)
Length of description	-0.0106***	-0.0805***	-0.0237**	-0.00772	0.00924
	(0.000545)	(0.00415)	(0.0103)	(0.0124)	(0.00903)
Video	0.112***	0.902***	0.696***	1.316***	0.997***
	(0.00377)	(0.0290)	(0.0848)	(0.0685)	(0.0569)
Unit backers	0.00322***	0.0410***	0.00968***	0.00724***	0.00782***
	(0.000185)	(0.00365)	(0.000789)	(0.000956)	(0.000727)
Number of projects backed (squared)	0.0383***	0.259***	0.0543***	0.127***	0.114***
	(0.00125)	(0.00935)	(0.0131)	(0.0161)	(0.0126)
Number of FB friends	1.46e-05***	9.62e-05***	4.77e-05	2.19e-05	4.16e-05
	(2.03e-06)	(1.35e-05)	(3.22e-05)	(3.28e-05)	(2.68e-05)
Constant	0.824***	3.033***	7.303***	1.807***	-0.329
	(0.0144)	(0.104)	(0.239)	(0.447)	(0.250)
Con					

Observations	54,081	54,081	54,081	54,081	54,081

Table 4. Description of conditions and manipulations for Study 2 on Prolific

Condition	Manipulation	Number of participants
1. Experimentation	The entrepreneur describes how he/she conducted experimental activities when creating the pillow	100
2. Planning	The entrepreneur describes how he/she carefully planned each step of the process when creating the pillow	100
3. Hybrid	The entrepreneur described how he/she conducted both experimental activities and planned each step of the process when creating the pillow	100
4. No description of activities (no words)	There is no description of activities in this condition	100
5. No description of activities (neutral words)	There is a description of activities in this condition, but without any reference to either planning or experimentation.	100

Table 5. Study 2, effect of Planning, Experimentation and Hybrid on funding, DV: Success, logistic regression reporting coefficients

VARIABLES	(1) Success
Experimentation	0.807**
	(0.296)
Planning	0.525*
	(0.298)
Experimentation x Planning	0.272
	(0.302)
Neither (no words)	0.0935
	(0.306)
Constant	-0.847
	(0.218)
Observations	500

Table 6. Description of conditions and manipulations for Study 3 on Prolific

Condition	Manipulation	Number of participants
1. Experimentation – first-time project creator	The entrepreneur describes how he/she conducted experimental activities when creating the pillow and we highlight that this is his/her first project	101
2. Planning – first-time project creator	The entrepreneur describes how he/she carefully planned each step of the process when creating the pillow and we highlight that this is his/her first project	101
3. Control – first-time project creator	The entrepreneur describes generic activities when creating the pillow (without referring to either planning or experimentation) and we highlight that this is his/her first project	99
4. Experimentation – third-time project creator	The entrepreneur describes how he/she conducted both experimental activities and planned each step of the process when creating the pillow and we highlight that this is his/her third project	99
5. Planning – third-time project creator	There is no description of activities in this condition and we highlight that this is his/her third project	99
6. Control – third-time project creator	The entrepreneur describes generic activities when creating the pillow (without referring to either planning or experimentation) and we highlight that this is his/her third project	101

Table 7. *Study 3 on Prolific, effect of Planning, Experimentation on funding with interaction for experience, DV: Success, logistic regression reporting coefficients*

VARIABLES	Success
Experiment first project	0.957**
	(0.321)
Experiment third project	0.133
	(0.347)
Planning first project	0.628*
	(0.328)
Planning third project	0.879**
	(0.324)
Control third project	-0.0359
	(0.352)
Constant	-1.411
	(0.249)
Observations	600

seEform in parentheses
*** p<0.01, ** p<0.05, * p<0.1

Table 8. *Study 3 on Prolific. DV: Perceived knowledge of project creator, OLS regression*

VARIABLES	Knowledge scale
Control first project	0.00140
	(0.135)
Experiment first project	0.231*
	(0.135)
Experiment third project	-0.0146*
	(0.135)
Planning first project	0.0798
	(0.135)
Planning third project	0.399**
	(0.136)
Constant	3.381
	(0.0947)
Observations	600

seEform in parentheses
*** p<0.01, ** p<0.05, * p<0.

Online Appendix

1. Details of the coding technique adopted to detect the presence of words related to planning and experimentation in the project descriptions

Figure 1 explains the coding process, which follows the procedure described by Short et al. (2010) but adds some additional steps to reduce the shortcomings of this technique.

Figure 1. Description of the coding process utilized, adapted from Short et al. (2010)

Step 1	Identification of a formal definition of planning and experimentation from literature on early-stage entrepreneurship
Step 2	Assessment of key components of planning/experimentation based on review of the literature (key components of the construct)
Step 3	Development of an exhaustive list of words that identify the key constructs of interest
Step 4	Validation of these lists with external raters (calculating inter-rater agreement)
Step 5	Performing initial keyword search using the list validated by the raters
Step 6	Refinement of the word list through manual screening of results of

keyword search

| Step 7 | Modifying the search algorithm and text sample to reduce false positives/false negatives |

We started by identifying a formal definition of planning and experimentation from literature on early-stage entrepreneurship (Step 1). Planning has been defined as "the process by which the entrepreneur, in exploiting an opportunity, creates a vision of the future and develops the necessary objectives, resources, and procedures to achieve that vision" (Sexton and Bowman-Upton, 1991, p. 118). A literature review (Step 2) on this topic showed that this early definition captured the two critical dimensions of planning: goals and a roadmap to achieve such goals. Work in this area supported a conceptualisation of planning based on a clear vision of what entrepreneurs wish to achieve, often described as a goal (Delmar and Shane, 2003; Shane and Delmar, 2004), and an articulation of the steps to achieve such goals (Bhidè, 2000; Shane and Delmar, 2004). With regards to experimentation, meanwhile, we did not find a clear definition of the construct, despite its growing relevance in the entrepreneurial context. We therefore elaborated on Lindholm-Dahlstrand et al. (2016) and defined experimentation as the process by which the entrepreneur tries out, selects and retains new ideas, methods or activities. Research in this area shows that while there is a range of activities that can be conducted when using an experimental approach, typically entrepreneurs follow a process classified as either trial and error (McGrath, 1995; Murray and Tripsas, 2004) or as more purposeful or scientific (Murray and Tripsas, 2004; Camuffo et al., 2018).

Having identified and developed two core dimensions for each construct, we then created a list of words traditionally associated with these dimensions (Step 3). In doing so, we started from words used in the literature to describe planning- or experimentation-related activities and include all relevant synonyms identified using the 'synsets' function in Python. This list is presented in Table A and Table B below.

Table A. Concept dimensions and related words: planning

Concept dimension	Words identified

Clear goals	'goal', 'target', 'targeting', 'targeted', 'agenda', 'purpose', 'aim', 'aiming', 'aimed', 'aspire', 'aspiring', 'aspired', 'end point', 'objective'
Articulation of steps	'plan', 'planning', 'planned', 'schedule', 'scheduling', 'scheduled', 'program', 'programme', 'programming', 'programmed', 'map out', 'mapping out', 'mapped out', 'road map', 'scenario', 'forecast', 'forecasting', 'forecasted', 'foretell', 'foretelling', 'foretold', 'account', 'estimate', 'estimated', 'estimating', 'breakdown', 'time buffer', 'timescale', 'timetable' 'predict', 'predicting', 'predicted', 'prediction', 'scheme', 'schema', 'outline', 'outlining', 'outlined', 'blueprint'

Table B. Concept dimensions and related words, experimentation

Concept dimension	Words identified
Trial and error attempts	'trial and error', 'trial run', 'tryout', 'attempt', 'attempting', 'attempted'
Purposeful experimentation	'experiment', 'experimenting', 'experimented', 'experimentation', 'prototype', 'prototyping', 'prototyped', 'test', 'testing', 'tested', 'hypothesis', 'hypotheses', 'hypothesizing', 'hypothesized', 'draft', 'drafting', 'drafted', 'mockup', 'mock-up', 'pilot'

We then provided four raters with a definition of planning and experimentation and asked them to read the word list associated with each concept and remove words that do not represent the dimensions identified in the literature. We also asked them to add any missing words that represent these dimensions (Step 4). Two raters were research assistants working on a project related to entrepreneurial experimentation and were unaware of the details of this study; one rater was a scholar working on text analysis, who was also unaware of the details of this study; and one rater was a native speaker (unlike the other raters). We calculated interrater agreement using the formula recommended by Short et al. (2010):

$$PA = 4A / Na + Nb + Nc + Nd$$

where PA is the proportion of agreement observed, A is the number of agreements between the raters, and Na, Nb, Nc and Nd are the number of words coded by each rater. The proportion of agreement

observed is equal to 0.82. The general rule of thumb, as indicated by Riffe et al. (2005), is that coefficients above 0.75 indicate high reliability.

In step 5, we performed a keyword search using code written using the NLTK function in Python and the list of words validated by the raters. The Python code performed some basic pre-processing (lowercasing all words, removing punctuation and stopwords) before searching the text in each project description for the pre-specified keywords. We generated three binary variables (one for planning, one for experimentation, one for hybrid) equal to 1 if the keyword is present in a sentence of the project description and equal to 0 otherwise. For each project description, we also reported a count of the sentences containing keywords related to planning, experimentation, or hybrid approaches. We therefore created both binary and continuous measures of planning/experimentation, or hybrid approaches.

We followed Short et al. (2010) in using an approach that relies on keyword search. Results from well-structured keyword searches can produce accurate results (McKenny et al., 2016) and build on an established stream of research in psychology (Pennebaker et al., 2003) that is based on the assumption that the words used in narrative texts provide valuable insight related to the thought processes of the writer. Nevertheless, we acknowledge that keyword searches come with a certain degree of measurement error, and for this reason we performed additional steps to quantify and address its shortcomings. In step 6, we went through large samples of sentences to quantify the extent to which false positives occur and identify ways to reduce these false positives. The occurrence of false positives was low for project descriptions that contain words related to experimentation. We found 29 out of 1081 sentences (2.7%) from a randomly drawn sample that contain words present in the word list, but that did not actually refer to experimentation. As an example, the dictionary for purposeful experimentation included the word 'test'; however, the sentence: "The consumer is then offered a free eye test and free fitting of their new frame along with the option to collect in store" is not related to experimentation. We solved this issue by modifying our search algorithm and excluding the bigram 'eye test' from project descriptions prior to the keyword search.

With regards to planning, meanwhile, there were more instances of false positives, mostly because when entrepreneurs mention 'goals' in a project description, they often refer to their Kickstarter

goal (for fundraising). For this reason, we excluded from project descriptions bigrams such as 'Kickstarter goal', 'stretch goal' and 'funding goal', which result in several false positives. Finally, we also checked for the occurrence of false negatives by manually screening 100 project descriptions from a randomly drawn sample (10,247 sentences). We identified eight sentences that might refer to planning without using words from the key list. These sentences included 'my dream is', 'our mission is', 'we want to' and 'this is the reason why'. The interpretation of these sentences appeared ambiguous, as they might refer to aspirations and ambitions rather than goals. For this reason, we opted for their exclusion as their inclusion would have resulted in an increase in false positives.

2. Details of study 2: Online experiment on Prolific

This section provides details for the online experiment conducted on Prolific in October 2018 and described as 'Study One' in the manuscript. All participants started by being shown an introductory section that contained information about the fictitious company (Crowd Innovation Lab) conducting a study on Prolific. The section also contained a basic attention check to minimise the chance of random responses, as reproduced below.

Introductory section (shown to all participants and including attention check)

Crowd Innovation Lab invests in innovative products seeking funds through crowdfunding platforms. These are typically small and new companies that offer the possibility to pre-purchase their products through these crowdfunding platforms. Our team handpicks promising projects and assesses their desirability before investing in them.

Your opinion is important to us and through this survey, you will help us decide whether to provide financial support for this particular project or not.

We ask you to carefully read each section before answering the corresponding questions in the section. The survey includes eight questions and should take approximately five minutes.

Before you start, we would like to make sure you are going to read this description carefully. Please select 'High level' to indicate you are reading questions carefully:

◯ Very high level

◯ High level

◯ Moderate level

◯ Low level

◯ Very low level

Manipulation: Five different conditions

The study included five different conditions to account for the variety of scenarios that backers might face on Kickstarter. More specifically, we included one condition where the entrepreneur uses experimentation narratives, one condition where the entrepreneur uses planning narratives, one condition where the entrepreneur uses a mixture of planning and experimentation narratives, one with a neutral narrative and one with no narrative, as detailed below. Italicized formatting has been added to this draft to simplify comparison across conditions.

Condition One: Experimentation narrative

Whole Pillow is a pillow with a hole in the centre to offer you a wholesome night's sleep. It is a multifunctional pillow that allows you to store your phone, books, and all your bedtime accessories without sacrificing comfort to your head and neck.

The story behind Whole Pillow: Like any great idea, Whole Pillow started with an experiment. After a few sketches on a piece of paper, we created a prototype that was later tested in our laboratory. Through several trials, we found the perfect fabric to make our pillow from. Our laboratory tests showed that muslin lets air breathe through these products very easily, while making them hygienic. We are proud that our experimental approach to development has yielded a better alternative to the high-tech, modern methods of pillow making.

Condition Two: Planning narrative

Whole Pillow is a pillow with a hole in the centre to offer you a wholesome night's sleep. It is a multifunctional pillow that allows you to store your phone, books, and all your bedtime accessories without sacrificing comfort to your head and neck.

The story behind Whole Pillow: Like any great idea, Whole Pillow started with a plan. Following a careful timetable, we took steps to create in our factory a product that embodied our vision. Our main goal was to find the perfect fabric to make our pillow from. Muslin was a great solution because we envisioned a fabric that lets air breathe through these products very easily while making them hygienic. We are proud that our careful planning has yielded a better alternative to the high-tech, modern methods of pillow making.

Condition Three: Planning and experimentation narrative

Whole Pillow is a pillow with a hole in the centre to offer you a wholesome night's sleep. It is a multifunctional pillow that allows you to store your phone, books, and all your bedtime accessories without sacrificing comfort to your head and neck.

The story behind Whole Pillow: Like any great idea, Whole Pillow started with an experiment and a plan. Following a careful timetable, we created a prototype. Through several trials, we reached our goal to find the perfect fabric to make our pillow from. Muslin was a great solution because we envisioned a fabric that lets air breathe through these products very easily while making them hygienic. We are proud that our careful experiments and planning have yielded a better alternative to the high-tech, modern methods of pillow making.

Condition Four: No specific narrative, with neutral words instead

Whole Pillow is a pillow with a hole in the centre to offer you a wholesome night's sleep. It is a multifunctional pillow that allows you to store your phone, books, and all your bedtime accessories without sacrificing comfort to your head and neck.

The story behind Whole Pillow: Like any great idea, Whole Pillow started with several activities. After finding a location for our factory, we created a product that later became Whole Pillow. The idea behind the product was to find the perfect fabric to make our pillow from. Muslin was a great solution because it is a fabric that lets air breathe through these products very easily while making them hygienic. We are proud that our company offers a better alternative to the high-tech, modern methods of pillow making.

Condition Five: No specific narrative, no words

Whole Pillow is a pillow with a hole in the centre to offer you a wholesome night's sleep. It is a multifunctional pillow that allows you to store your phone, books, and all your bedtime accessories without sacrificing comfort to your head and neck.

After this introductory text, all participants were shown a more detailed description of Whole Pillow, after which we asked several questions to measure their willingness to provide financial resources to Whole Pillow, as detailed below.

The key features of Whole Pillow are:

- adjustable softness and height of the pillow
- customizable pillow options
- guaranteed high level of safety and hygiene of the pillow
- smooth, soft and pleasant feel of the pillow cover

WHAT ARE THE FEATURES AND BENEFITS?

ADJUSTABLE SOFTNESS AND HEIGHT

HOLLOW CENTER FOR CUSTOMIZABLE SLEEP OPTIONS

ULTIMATE NECK SUPPORT

Given what you have read about Whole Pillow, are you interested in investing in this project?

○ Yes

○ No

How likely would you be to purchase Whole Pillow if it were available on the market today?

○ Definitely would

○ Probably would

○ Might or might not

○ Probably would not

○ Definitely would not

There are several packages for Whole Pillow. Which one would you choose from the options below?

○ 69 euros for one pillow

○ 79 euros for one pillow with a pillowcase

○ 99 euros for two pillows

○ 149 euros for two pillows with two pillowcases

○ I would not want to purchase Whole Pillow

Participants completed the survey by reporting their gender, age, education level and prior experience with crowdfunding or other investments (such as bitcoin or stocks). This information confirmed that the randomization resulted in balanced groups.

3. Details of study 3: Online Experiment on Prolific

The study described in the manuscript as 'Study Two' closely follows the structure of Study One. All participants started by being shown an introductory section that contained information about the same fictitious company used for Online Study One (Crowd Innovation Lab). The section also contained a basic attention check, as detailed below:

Introductory section (shown to all participants and including attention check)

Crowd Innovation Lab invests in innovative products seeking funds through crowdfunding platforms. These are typically small and new companies that offer the possibility to pre-purchase their products through these crowdfunding platforms. Our team handpicks promising projects and assesses their desirability before investing in them.

Your opinion is important to us and through this survey, you will help us decide whether to provide financial support for this particular project or not.

We ask you to carefully read each section before answering the corresponding questions in the section. The survey includes eight questions and should take approximately five minutes.

Before you start, we would like to make sure you are going to read this description carefully. Please select 'High level' to indicate you are reading questions carefully:

○ Very high level

○ High level

○ Moderate level

○ Low level

○ Very low level

If participants provide a satisfactory answer to the attention check question, they are randomly assigned to one of the four conditions of this study: experimentation narratives for project creators with no experience, experimentation narratives for project creators with experience, planning narratives for project creators with no experience, planning narratives for project creators with experience. In this case, the manipulation was highlighted both in the description of the project and in the picture representing Whole Pillow, reproducing how project creators present themselves on Kickstarter, as detailed below. Bold and italicized formatting has been added to this draft to simplify comparison across conditions.

Condition One: Experimental narratives for unexperienced project creators

Whole Pillow is a pillow with a hole in the centre to offer you a wholesome night's sleep. It is a multifunctional pillow that allows you to store your phone, books, and all your bedtime accessories without sacrificing comfort to your head and neck.

*Whole Pillow is **our first crowdfunding project**. Like any great idea, Whole Pillow started with an experiment. After a few sketches on a piece of paper, we created a prototype that was later tested in our laboratory. With several trials, we found the perfect fabric to make our pillow from. Our laboratory tests showed that muslin lets air breathe through these products very easily, while making them hygienic. We are proud that our experimental approach to development has yielded a better alternative to the high-tech, modern methods of pillow making.*

How likely is it that the project creator has the knowledge needed to carry out this project?

○ Extremely unlikely

○ Quite unlikely

○ Neither unlikely nor likely

○ Quite likely

○ Extremely likely

The key features of Whole Pillow are:

- adjustable softness and height of the pillow
- customizable pillow options
- guaranteed high level of safety and hygiene of the pillow
- smooth, soft and pleasant feel of the pillow cover

Condition Two: Experimental narratives for experienced project creators

Whole Pillow is a pillow with a hole in the centre to offer you a wholesome night's sleep. It is a multifunctional pillow that allows you to store your phone, books, and all your bedtime accessories without sacrificing comfort to your head and neck.

*Whole Pillow is **our third crowdfunding project**. Like any great idea, Whole Pillow started with an experiment. After a few sketches on a piece of paper, we created a prototype that was later tested in our laboratory. With several trials, we found the perfect fabric to make our pillow from. Our laboratory tests showed that muslin lets air breathe through these products very easily, while making them hygienic. We are proud that our experimental approach to development has yielded a better alternative to the high-tech, modern methods of pillow making.*

How likely is it that the project creator has the knowledge needed to carry out this project?

○ Extremely unlikely

○ Quite unlikely

○ Neither unlikely nor likely

○ Quite likely

○ Extremely likely

The key features of Whole Pillow are:

- adjustable softness and height of the pillow
- customizable pillow options
- guaranteed high level of safety and hygiene of the pillow
- smooth, soft and pleasant feel of the pillow cover

Condition Three: Planning narratives for unexperienced project creators

Whole Pillow is a pillow with a hole in the centre to offer you a wholesome night's sleep. It is a multifunctional pillow that allows you to store your phone, books, and all your bedtime accessories without sacrificing comfort to your head and neck.

*Whole Pillow is **our first crowdfunding project**. Like any great idea, Whole Pillow started with a plan. Following a careful timetable, we took steps to create in our factory a product that embodied our vision. Our main goal was to find the perfect fabric to make our pillow from. Muslin was a great solution because we envisioned a fabric that lets air breathe through these products very easily while making them hygienic. We are proud that our careful planning has yielded a better alternative to the high-tech, modern methods of pillow making.*

How likely is it that the project creator has the knowledge needed to carry out this project?

○ Extremely unlikely

○ Quite unlikely

○ Neither unlikely nor likely

○ Quite likely

○ Extremely likely

The key features of Whole Pillow are:

- adjustable softness and height of the pillow
- customizable pillow options
- guaranteed high level of safety and hygiene of the pillow
- smooth, soft and pleasant feel of the pillow cover

Condition Four: Planning narratives for experienced project creators

Whole Pillow is a pillow with a hole in the centre to offer you a wholesome night's sleep. It is a multifunctional pillow that allows you to store your phone, books, and all your bedtime accessories without sacrificing comfort to your head and neck.
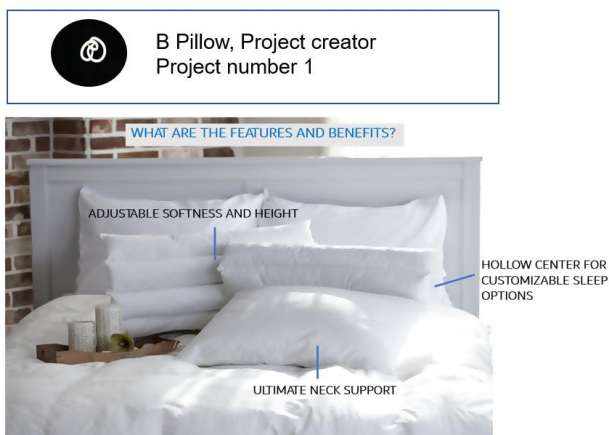
*Whole Pillow is **our third crowdfunding project**. Like any great idea, Whole Pillow started with a plan. Following a careful timetable, we took steps to create in our factory a product that embodied our vision. Our main goal was to find the perfect fabric to make our pillow. Muslin was a great solution because we envisioned a fabric that lets air breathe through these products very easily while making them hygienic. We are proud that our careful planning has yielded a better alternative to the high-tech, modern methods of pillow making.*

How likely is it that the project creator has the knowledge needed to carry out this project?

○ Extremely unlikely

○ Quite unlikely

○ Neither unlikely nor likely

○ Quite likely

○ Extremely likely

The key features of Whole Pillow are:

- adjustable softness and height of the pillow
- customizable pillow options
- guaranteed high level of safety and hygiene of the pillow
- smooth, soft and pleasant feel of the pillow cover

In the rest of the study, we collect the same information across the different conditions with the goal of testing the mechanism behind the choices of resource providers. We do so by using five-point Likert scales and items related to market, founder and project uncertainty, as explained in the manuscript. We conclude the study by collecting basic demographic information, as detailed below.

To what extent do you think there is a market for Whole Pillow?

○ Not at all

○ To a little extent

○ To some extent

○ To a moderate extent

○ To a great extent

How likely is it that the pillow will live up to the description in the project?

○ Extremely unlikely

○ Quite unlikely

○ Neither unlikely nor likely

○ Quite likely

○ Extremely likely

How likely is Whole Pillow to be funded?

○ Extremely unlikely

○ Quite unlikely

○ Neither unlikely nor likely

○ Quite likely

○ Extremely likely

Given what you have read about Whole Pillow, are you interested in investing in this project?

○ Yes

○ No

How likely would you be to purchase Whole Pillow if it were available on the market today?

○ Definitely would

○ Probably would

○ Might or might not

○ Probably would not

○ Definitely would not

There are several packages for Whole Pillow. Which one would you choose from the options below?

○ 69 euros for one pillow

○ 79 euros for one pillow with a pillowcase

○ 99 euros for two pillows

○ 149 euros for two pillows with two pillowcases

○ I would not want to purchase Whole Pillow

We concluded the study by asking participants to report their gender, age, education level and prior experience with crowdfunding or other investments (such as bitcoin or stocks). This information confirmed that the randomization resulted in balanced groups.

4. Robustness check, effect of experimentation and planning narratives for projects with a goal over 10,000 USD

Table C and D presents results when including only projects with a funding goal above 10,000 USD.

Table C. Effect of Planning and Experimentation narratives on attracting resources, goal over 10,000 USD

VARIABLES	(1) DV: Funding Success, OLS regression	(2) DV: Funding Success, Logistic regression	(3) DV: Percentage of funding, Poisson regression	(4) DV: Amount Raised, Poisson regression	(5) DV: Number of backers, Poisson regression
Experimentation	0.0311***	0.284***	0.480***	0.240*	0.488***
	(0.00817)	(0.0651)	(0.126)	(0.142)	(0.151)
Planning	0.0301***	0.245***	0.173***	0.0874	0.162***
	(0.00431)	(0.0361)	(0.0587)	(0.138)	(0.0628)
Experimentation x Planning	-0.0218**	-0.156**	-0.333**	-0.0860	-0.390**
	(0.0102)	(0.0782)	(0.146)	(0.165)	(0.170)
Staff pick	0.362***	2.110***	1.108***	1.630***	1.468***
	(0.00764)	(0.0525)	(0.0648)	(0.0942)	(0.0663)
Goal	-0.0684***	-0.814***	-0.409***	0.437***	0.200***
	(0.00158)	(0.0195)	(0.0277)	(0.0495)	(0.0421)
Length of funding period	-0.00174***	-0.0148***	0.00581**	0.00876*	0.00379
	(0.000169)	(0.00160)	(0.00242)	(0.00452)	(0.00289)
Number of rewards	0.0191***	0.150***	0.0348***	0.0330***	0.0335***
	(0.000577)	(0.00405)	(0.00622)	(0.00598)	(0.00587)
Novelty	0.00478	0.0542	0.164***	0.142*	0.115**
	(0.00456)	(0.0355)	(0.0609)	(0.0856)	(0.0587)
Tone	0.000794***	0.00701***	0.00135	0.000986	0.000293
	(8.00e-05)	(0.000733)	(0.000973)	(0.00142)	(0.00103)
Length of description	-0.00924***	-0.0811***	-0.00829	-0.00485	0.0141
	(0.000629)	(0.00580)	(0.00894)	(0.0135)	(0.0105)
Video	0.115***	1.336***	1.297***	1.610***	1.319***
	(0.00407)	(0.0495)	(0.0584)	(0.107)	(0.0909)
Unit backers	0.00373***	0.0442***	0.0103***	0.00784***	0.00850***
	(0.000208)	(0.00392)	(0.000748)	(0.000926)	(0.000697)
Number of projects backed (squared)	0.00191***	0.0147***	0.00426***	0.00450***	0.00439***
	(0.000217)	(0.00204)	(0.000894)	(0.000967)	(0.000974)
Number of FB friends	1.85e-05***	0.000120***	7.38e-05***	6.25e-05*	7.69e-05***
	(2.38e-06)	(1.67e-05)	(2.74e-05)	(3.30e-05)	(2.89e-05)
Prior experience	0.0129***	0.116***	0.0376***	0.0462***	0.0382***
	(0.00135)	(0.0182)	(0.00453)	(0.00692)	(0.00553)
Controls for category	Yes	Yes	Yes	Yes	Yes
Controls for start date	Yes	Yes	Yes	Yes	Yes
Constant	0.699***	4.247***	5.568***	1.918***	-0.0150
	(0.0203)	(0.208)	(0.272)	(0.626)	(0.434)
Observations	35,311	35,311	35,311	35,311	35,311

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

Table D. Effect of Planning and Experimentation narratives on attracting resources, interaction with experience, goal over 10,000 USD

VARIABLES	(1) DV: Funding Success, OLS regression	(2) DV: Funding Success, Logistic regression	(3) DV: Percentage of funding, Poisson regression	(4) DV: Amount Raised, Poisson regression	(5) DV: Number of backers, Poisson regression
Experimentation	0.0338***	0.325***	0.501***	0.291***	0.518***
	(0.00888)	(0.0745)	(0.00227)	(0.000164)	(0.00157)
Planning	0.0197***	0.141***	0.155***	0.0282***	0.138***
	(0.00518)	(0.0470)	(0.00167)	(0.000121)	(0.00119)
Experimentation x Planning	-0.0220**	-0.162**	-0.326***	-0.0557***	-0.376***
	(0.00987)	(0.0773)	(0.00268)	(0.000190)	(0.00185)
Prior Experience	0.0105***	0.0873***	0.0364***	0.0404***	0.0372***
	(0.00114)	(0.0144)	(0.000163)	(1.34e-05)	(0.000112)
Experimentation X Prior Experience	-0.00168	-0.0244	-0.0116***	-0.0337***	-0.0167***
	(0.00234)	(0.0234)	(0.000292)	(2.35e-05)	(0.000191)
Planning X Prior Experience	0.00698***	0.0695***	0.00732***	0.0223***	0.00901***
	(0.00180)	(0.0198)	(0.000232)	(1.71e-05)	(0.000155)
Staff pick	0.362***	2.110***	1.108***	1.630***	1.468***
	(0.00656)	(0.0498)	(0.00137)	(9.25e-05)	(0.000919)
Goal	-0.0684***	-0.815***	-0.409***	0.436***	0.199***
	(0.00178)	(0.0201)	(0.000712)	(3.27e-05)	(0.000380)
Length of funding period	-0.00173***	-0.0147***	0.00592***	0.00916***	0.00402***
	(0.000187)	(0.00163)	(6.47e-05)	(4.38e-06)	(4.61e-05)
Number of rewards	0.0191***	0.150***	0.0348***	0.0331***	0.0336***
	(0.000441)	(0.00376)	(6.34e-05)	(4.22e-06)	(4.32e-05)
Novelty	0.00478	0.0534	0.166***	0.151***	0.120***
	(0.00447)	(0.0353)	(0.00132)	(8.98e-05)	(0.000904)
Tone	0.000804***	0.00706***	0.00143***	0.00134***	0.000447***
	(8.57e-05)	(0.000738)	(2.95e-05)	(2.08e-06)	(2.02e-05)
Length of description	-0.00925***	-0.0811***	-0.00839***	-0.00605***	0.0137***
	(0.000680)	(0.00589)	(0.000241)	(1.70e-05)	(0.000170)
Video	0.115***	1.336***	1.287***	1.554***	1.297***
	(0.00481)	(0.0512)	(0.00280)	(0.000244)	(0.00215)
Unit backers	0.00372***	0.0441***	0.0103***	0.00784***	0.00848***
	(0.000145)	(0.00216)	(1.21e-05)	(8.12e-07)	(8.00e-06)
Number of projects backed (squared)	0.00188***	0.0146***	0.00428***	0.00458***	0.00442***
	(0.000106)	(0.00111)	(9.18e-06)	(6.81e-07)	(5.80e-06)
Number of FB friends	1.87e-05***	0.000120***	7.27e-05***	6.06e-05***	7.51e-05***
	(2.24e-06)	(1.69e-05)	(6.50e-07)	(4.63e-08)	(4.48e-07)
Controls for category	Yes	Yes	Yes	Yes	Yes
Controls for start date	Yes	Yes	Yes	Yes	Yes
Observations	35,311	35,311	35,311	35,311	35,311

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

5. Robustness check, effect of experimentation and planning narratives for serial project creators

Table E presents results on an additional sample made up of all serial entrepreneurs part of study 1 – those that created more than one project during the observation window of the study presented in the main manuscript. We collected the complete history of projects for these entrepreneurs from April 2009 (when Kickstarter was founded), which includes 26,584 projects. While we do not have the full set of controls used for the analyses in the main manuscript, these results suggest that as entrepreneurs gain more experience, planning narratives continue to have a positive and significant effect on the likelihood of funding, whereas experimentation narratives do not.

Table E. Effect of Planning and Experimentation narratives on attracting resources, interaction with experience, complete history of serial creators.

VARIABLES	(1) DV: Funding Success, OLS regression	(2) DV: Funding Success, Logistic regression	(3) DV: Percentage of funding, Poisson regression	(4) DV: Amount Raised, Poisson regression	(5) DV: Number of backers, Poisson regression
Experimentation	0.0685***	0.353***	-1.425***	0.412***	0.281***
	(0.0138)	(0.0652)	(0.00115)	(0.000186)	(0.00160)
Planning	0.105***	0.432***	-0.261***	0.284***	0.110***
	(0.00878)	(0.0425)	(0.000402)	(0.000157)	(0.00127)
Experimentation x Planning	0.0298**	0.123*	1.698***	0.0407***	0.104***
	(0.0145)	(0.0659)	(0.00114)	(0.000196)	(0.00169)
Prior Experience	0.0204***	0.106***	0.148***	0.00465***	0.0196***
	(0.00156)	(0.00863)	(4.41e-05)	(3.32e-05)	(0.000224)
Experimentation x Prior Experience	-0.00603***	-0.0401***	-0.0616***	-0.0362***	-0.00598***
	(0.00205)	(0.0118)	(0.000110)	(2.59e-05)	(0.000198)
Planning x Prior Experience	0.00124	0.0245**	0.00133***	0.0431***	0.0233***
	(0.00190)	(0.0109)	(6.29e-05)	(3.48e-05)	(0.000240)
Goal	-0.0401***	-0.190***	-0.941***	0.564***	0.377***
	(0.00164)	(0.00808)	(6.50e-05)	(2.11e-05)	(0.000215)
Duration of campaign	-0.00414***	-0.0191***	0.0513***	-0.00431***	-0.00276***
	(0.000254)	(0.00119)	(9.16e-06)	(3.76e-06)	(3.40e-05)
Controls for category	Yes	Yes	Yes	Yes	Yes
Constant	0.854***	1.631***	8.499***	3.970***	1.291***
	(0.0174)	(0.0830)	(0.000917)	(0.000345)	(0.00311)
Observations	26,584	26,584	26,584	26,584	26,584

Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

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