

# You Better Believe it: The Impact of Social Identity Based Naïve Theories in Reward Based Crowdfunding

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## **Abstract**

Reward-based crowdfunding is a rapidly growing phenomenon wherein entrepreneurial individuals seek funding for the realization of new products by directly addressing the prospective consumers of these very products. In this research, we investigate the influence of naïve theories about the entrepreneur on potential supporters' trust to receive a proposed product as it has been announced in a certain campaign. Our experimental approach demonstrates that the conveyed social identity of the entrepreneur behind a reward-based campaign may serve as a basis for naïve theories about the prospects that the entrepreneur will actually realize the product as promised. When the conveyed social identity is in congruence with the proposed outcome of a reward-based crowdfunding campaign, potential supporters indicate higher levels of trust and in turn increased willingness to support a reward-based crowdfunding campaign. These findings have implications for researchers and project founders alike.

**Keywords:** *reward-based crowdfunding; naïve theories; social identity*

**Track:** Digital Marketing & Social Media