© *Academy of Management Journal*
2021, Vol. 64, No. 1, 149–179.
https://doi.org/10.5465/amj.2018.0620

GAINING LEGITIMACY BY BEING DIFFERENT: OPTIMAL DISTINCTIVENESS IN CROWDFUNDING PLATFORMS

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How do new ventures gain legitimacy and attract critical resources? An increasing body of cultural entrepreneurship research has highlighted an "optimal distinctiveness" trade-off: new ventures need to be distinctive from their peers to stand out, yet distinctiveness counteracts the attainment of organizational legitimacy. In this paper, we challenge the underlying assumption that distinctiveness necessarily counteracts the attainment of legitimacy and propose that distinctiveness can become a source of legitimacy. This proposition matters because it fundamentally alters the relationship between distinctiveness and resource acquisition from certain audiences. We build on these theoretical arguments to examine new ventures' resource acquisition from crowdfunders, one of the most important audiences for new ventures. Analysis of 28,425 crowdfunding campaigns across 39 market categories strongly supports our arguments, showing that higher levels of distinctiveness lead to superior crowdfunding performance. We further demonstrate that the legitimating effect of distinctiveness intensifies under the absence of alternative sources of legitimacy. Our study contributes by uncovering a new mechanism and three contingencies for the "optimal distinctiveness" trade-off.

New ventures need to gain legitimacy from resource-providing audiences in order to acquire critical resources (Aldrich & Fiol, 1994; Lounsbury & Glynn, 2001; Zimmerman & Zeitz, 2002). The attainment of *legitimacy*—"a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions" (Suchman, 1995: 574)[1]—is important for all organizations but particularly challenging for new ventures that must contend with their liabilities of newness (Navis & Glynn, 2011; Singh, Tucker, & House, 1986). New ventures lack access to common legitimacy signals, such as a track record of successful products (Fisher, Kotha, & Lahiri, 2016), and often consist of little more than "elaborate fictions of proposed possible future states of existence" (Gartner, Bird, & Starr, 1992: 17). Legitimacy therefore represents a critical precondition for new ventures' resource acquisition, growth, and survival.

Cultural entrepreneurship theory has highlighted *entrepreneurial stories* as the central driver of new ventures' legitimation, and proposed that

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We are very grateful to Zeki Simsek and three anonymous reviewers for their support and many insightful suggestions that have substantively improved our article throughout the review process. We also thank Jeff Covin, Mark Healey, Joseph Lampel, and Silvia Massini for their insights and helpful comments on earlier drafts of this article.

[1] We follow the common conceptualization of legitimacy as an organizational property that is not directly observable. This understanding differs from alternative lines of research that have conceptualized legitimacy as an active endorsement (e.g., Deephouse, 1996) or as a judgment by individual evaluators (e.g., Tost, 2011).

entrepreneurial stories need to achieve "optimal distinctiveness" in order to effectively attract resources (Lounsbury & Glynn, 2001; Lounsbury & Glynn, 2019; Martens, Jennings, & Jennings, 2007; Navis & Glynn, 2011). Within the cultural entrepreneurship framework, distinctiveness refers to the degree to which an entrepreneurial story deviates from a market category's prototypical story. Distinctiveness matters because it allows an unknown new venture to stand out and attract attention from resource-providing audiences. Yet, institutional theorists have long highlighted that distinctiveness can counteract the attainment of legitimacy (DiMaggio & Powell, 1991). The underlying argument is that deviation from a categorical prototype reduces the comprehensibility of a proposed new venture because it prevents audiences from linking the unknown new venture to a familiar cognitive template (Navis & Glynn, 2011). High distinctiveness can therefore prevent resource acquisition because audiences may disregard a new venture that they cannot fully comprehend. Prior research thus conceptualizes a trade-off between similarity and distinctiveness and proposed that new ventures will attract the most resources if they convey moderate degrees of distinctiveness (Lounsbury & Glynn, 2001; Lounsbury & Glynn, 2019; Martens et al., 2007; Navis & Glynn, 2010; Navis & Glynn, 2011).

In this paper, we challenge the assumption that distinctiveness necessarily counteracts the attainment of legitimacy. Foundational research in institutional theory has conceptualized legitimacy as a multidimensional construct (Aldrich & Fiol, 1994; Scott, 1995; Suchman, 1995); however, research on optimal distinctiveness has primarily focused on how distinctiveness threatens organizations' cognitive legitimacy—broadly defined as an organization's comprehensibility (Suchman, 1995). Yet, distinctiveness may affect a venture's normative legitimacy—that is, its perceived congruence with the normative expectations of an audience (Suchman, 1995). Anchoring to the proposition that new venture audiences differ in their normative expectations (Fisher, Kuratko, Bloodgood, & Hornsby, 2017), we suggest that distinctiveness will increase new ventures' legitimacy in the eyes of *novelty-expecting audiences*. When seeking resources from novelty-expecting audiences, new ventures can therefore gain legitimacy *because* of (and not despite) their distinctiveness. This distinction matters because it substantially alters the predicted relationship between distinctiveness and resource acquisition for novelty-expecting audiences.

We apply this theoretical proposition to examine new ventures' resource acquisition from *crowdfunders*—one of the most important new venture audiences (Fisher et al., 2017; Short, Ketchen, McKenny, Allison, & Ireland, 2017). A typical new venture is more likely to attract financial contributions via Kickstarter (www.kickstarter.com)—the largest crowdfunding platform to date—than from any venture capitalist in the world.[2] We characterize crowdfunders as a novelty-expecting audience and argue that the competitive and normative benefits of distinctiveness exceed the potential cognitive liabilities of distinctiveness in the crowdfunding context. We therefore depart from prior studies on optimal distinctiveness and predict that distinctiveness has a strictly positive—rather than inverted *U*-shaped—effect on new ventures' resource acquisition from crowdfunders. Extending our main proposition, we further hypothesize that the legitimating effect of distinctiveness is contingent on the presence of alternative sources of normative legitimacy. Because alternative sources of legitimacy partly substitute their beneficial effects, we propose that distinctiveness will provide the greatest benefits under the absence of alternative sources of normative legitimacy.

We test our hypotheses with data from 28,425 crowdfunding campaigns across 39 market categories. We use a topic modeling approach (Hannigan et al., 2019) to identify the content patterns of crowdfunding narratives and subsequently quantify the degree to which any given crowdfunding narrative deviates from the prototypical narrative in its market category. Our study provides strong evidence that the distinctiveness of entrepreneurial stories has a strictly positive effect on new ventures' resource acquisition from crowdfunders. Entrepreneurial stories with high distinctiveness attract 32% more backers and 47% higher funding pledges than those with low distinctiveness. Our study further demonstrates that the marginal benefits of distinctiveness are greatest under the absence of alternative sources of normative legitimacy. These findings strongly support our proposition that distinctiveness can provide a source of normative legitimacy and that distinctiveness thus supports—rather than weakens—the attainment of legitimacy from novelty-expecting audiences like crowdfunders.

[2] On a global level, around 11,000 ventures attracted venture capital in 2017 according to the *Venture Capital Funding Report 2017* by PricewaterhouseCoopers. In the same year, around 19,000 ventures attracted funding on Kickstarter.

Our theoretical propositions extend cultural entrepreneurship theory (Lounsbury & Glynn, 2001; Lounsbury & Glynn, 2019; Navis & Glynn, 2011), and also contribute to the broader discussion on optimal distinctiveness in strategic management and organization theory (Barlow, Verhaal, & Angus, 2019; Deephouse, 1999; Haans, 2019; Zhao, Fisher, Lounsbury, & Miller, 2017; Zhao, Ishihara, Jennings, & Lounsbury, 2018; Zuckerman, 2016). First, we disentangle the normatively and cognitively legitimating effect of entrepreneurial stories. This allows us to distinguish between normative and cognitive legitimacy as potentially opposing mechanisms in the relationship between distinctiveness and resource acquisition. Second, we uncover audiences' novelty expectations as an important boundary condition for the optimal distinctiveness trade-off. This boundary condition can explain seemingly contradictory findings about the effect of distinctiveness on demand-side performance outcomes (Barlow et al., 2019; Haans, 2019). Third, we demonstrate that the optimal degree of distinctiveness is substantially contingent on the presence of legitimating claims in entrepreneurial stories and the general public's familiarity with a market category. In doing so, we advance understanding about how entrepreneurial stories and market categories jointly legitimate new ventures. Our theory and empirical findings therefore provide a more nuanced understanding of why and when organizations should aim for low, moderate, or high distinctiveness.

THEORY AND HYPOTHESES

Entrepreneurial Stories and the "Optimal Distinctiveness" Proposition

Cultural entrepreneurship theory highlights the *entrepreneurial story* as a central antecedent of new ventures' legitimation and resource acquisition (Lounsbury, Gehman, & Ann Glynn, 2019; Lounsbury & Glynn, 2001, 2019). Entrepreneurial story broadly refers to a purposefully crafted narrative about the venture. Entrepreneurial stories commonly include statements about founders' values ("We value fairness and equality"), the venture's business model ("We offer a Freemium model"), the characteristics of the market opportunity ("The demand for 3D printers is rapidly growing"), the product's technology ("Our product is built on an open-source platform"), or the product's sustainability ("Our product is fully biodegradable"). Entrepreneurial stories represent the primary touchstone for evaluations of new ventures' legitimacy because new ventures typically have limited access to other sources of legitimacy (Lounsbury & Glynn, 2001).

One of the most popular propositions in cultural entrepreneurship has evolved under the notion of "optimal distinctiveness" (Lounsbury & Glynn, 2001; Lounsbury & Glynn, 2019; Martens et al., 2007) or "legitimate distinctiveness" (Navis & Glynn, 2011). The proposition aligns with arguments in the broader discussion about how organizations can reconcile the opposing pressures for differentiation and legitimation (Deephouse, 1999; Zhao et al., 2017) but specifically focuses on distinctiveness as a property of entrepreneurial stories. As new ventures often lack access to more strategic sources of differentiation, they commonly differentiate themselves through an entrepreneurial story that deviates from the prototypical entrepreneurial story in their market category (Navis & Glynn, 2011). Distinctiveness, however, is conceptualized as antithetical to the attainment of legitimacy. Research on optimal distinctiveness has generally referred to the cognitive dimension of legitimacy—that is, audiences' ability to comprehend the proposed new venture (Aldrich & Fiol, 1994). Resource-providing audiences need to evaluate new ventures under conditions of high ambiguity—that is, a "lack of clarity such that it is difficult to interpret or distinguish opportunities" (Davis, Eisenhardt, & Bingham, 2009: 420)—because they are generally unfamiliar with the resource-seeking new ventures (Elsbach & Kramer, 2003; Navis & Glynn, 2011). Existing studies have shown that ambiguity negatively affects ventures' cognitive legitimacy from different audiences, such as investors (Martens et al., 2007) and consumers (Pontikes, 2012). New ventures become less ambiguous when they conform to a category's prototype because audiences can more easily comprehend an unknown new venture when they can locate it in a familiar category (Suchman, 1995). For instance, Elsbach and Kramer (2003) showed that Hollywood producers evaluate movie pitches much more favorably when they can cognitively match a movie with an existing category prototype. An entrepreneurial story that is similar to the category's prototype legitimates because it helps the audience to easily recognize the venture as "one of those" (Bitektine, 2011). Cognitively linking the unknown new venture to a familiar category generally reduces ambiguities about the venture (Lounsbury & Glynn, 2001; Navis & Glynn, 2011). Conversely, entrepreneurial stories that deviate strongly from the category's prototype lead to strong ambiguity about the venture. Prototype similarity thus supports

perceptions of cognitive legitimacy, while prototype distinctiveness is expected to reduce a venture's cognitive legitimacy (Glynn & Navis, 2013; Navis & Glynn, 2010, 2011; Wry, Lounsbury, & Glynn, 2011). The conceptualized mechanisms suggest that entrepreneurial stories attract the most resources when they balance the competitive benefits (from differentiation) against the cognitive liabilities (from reduced cognitive legitimacy) of distinctiveness.

Entrepreneurial Stories as Sources of Normative Legitimacy

Entrepreneurial stories can also serve as sources of normative legitimacy. Normative legitimacy refers to an organization's perceived congruence with the normative expectations in its institutional environment (Scott, 1995). Ventures gain normative legitimacy, also referred to as moral legitimacy (Suchman, 1995) or sociopolitical legitimacy (Aldrich & Fiol, 1994), when audiences perceive them to engage in "the right thing to do" (Suchman, 1995: 579). In their original formulation of cultural entrepreneurship theory, Lounsbury and Glynn (2001) suggested that normative legitimation represents a major function of entrepreneurial stories. "To function effectively, the content of entrepreneurial stories must align with audience interests and normative beliefs to enable favorable interpretations of a new venture" (Lounsbury & Glynn, 2001: 550). Entrepreneurial stories can support perceptions of normative legitimacy through claims that convey the venture's congruence with an audience's normative expectations (Lounsbury & Glynn, 2001). Whether an entrepreneurial story will normatively legitimate a venture thus depends on audiences' expectations about what it means to "do the right thing" within an institutional context.

Audiences differ in their normative expectations about appropriate behaviors, and these expectations shape their legitimacy evaluations (Fisher et al., 2017). While audiences are associated with different types of expectations, we focus on audiences' *novelty expectations.* We define novelty expectations as the degree to which an audience expects a venture's offering and business model to be novel or unique.[3] Audiences with a high novelty expectation—which we call *novelty-expecting audiences*—will be more likely to evaluate a venture as legitimate if they perceive it as novel.

We propose that ventures will be more likely to gain normative legitimacy in the eyes of a novelty-expecting audience when their entrepreneurial story is distinctive from the categorical prototype. New ventures often lack objective signals to convey their novelty (Rindova, Petkova, & Kotha, 2007), and a distinctive entrepreneurial story will consequently provide an important touchstone for audiences' novelty perceptions. Distinctiveness can therefore represent a source of legitimacy when new ventures seek resources from novelty-expecting audiences. This implies that distinctiveness can unfold detrimental effects on new ventures' legitimacy by simultaneously reducing a venture's cognitive legitimacy while increasing its normative legitimacy. Distinctiveness will unfold a positive net effect on a venture's legitimacy if the normative benefits exceed the cognitive liabilities of distinctiveness.

This insight has important implications for the "optimal distinctiveness" proposition as it challenges the assumption that distinctiveness necessarily counteracts the attainment of legitimacy. We therefore depart from the common assumption that new ventures necessarily face a trade-off between differentiation and legitimation. We propose that the relationship between distinctiveness and resource acquisition is mediated by three mechanisms—normative legitimacy, cognitive legitimacy, and differentiation—and that the shape of the relationship depends on the relative strength of these three mechanisms in a given context.

Research Context and Hypotheses

We test our theoretical propositions by examining new ventures' resource acquisition from crowdfunders—one of the most important audiences for new ventures (Agrawal, Catalini, & Goldfarb, 2014; Short et al., 2017; Younkin & Kuppuswamy, 2018). Crowdfunders are individuals that support ventures financially in exchange for tangible and intangible perks, such as early access to innovative products (Mollick, 2014; Short et al., 2017).[4] Following other studies that have derived context-

[3] We subsequently use the term novelty—as a property of a new venture—to refer to the novelty of a venture's offering and business model. This property is distinctive from ventures' newness. All new ventures are, by definition, new, but they are not necessarily novel.

[4] Broader definitions of crowdfunding also include crowdinvesting and crowdlending (e.g., Short et al., 2017), in which ventures offer equity stakes or seek loans via online pitches. We follow the more narrow definition of crowdfunding, also referred to as rewards-based crowdfunding (Mollick, 2014), in which crowdfunders do not receive any equity stakes or repayments in exchange for their financial contributions.

specific hypotheses (e.g., Wry, Lounsbury, & Jennings, 2014), we first consulted archival materials to gain an understanding of the norms and expectations of our focal audience, crowdfunders. Among others, we analyzed discussions between crowdfunders on KickstarterForum.org, an online forum in which users of Kickstarter—the largest crowdfunding platform to date—discuss a large range of crowdfunding-related topics, including their motivations for backing specific crowdfunding campaigns.

Previous research has suggested that crowdfunders are more likely to provide resources to a crowdfunding-seeking venture when they perceive it as novel and creative (Calic & Mosakowski, 2016). Many statements on KickstarterForum.org support this finding. For instance, one user of the forum explained that "I view Kickstarter as a department store that sells unique products that you may not see the likes of anywhere else."[5] Another crowdfunder stated: "I really like innovative and creative technology and being able to say I was one of the first to have supported the project." A crowdfunder that had already contributed to more than 250 crowdfunding campaigns explained that the campaigns she selects "always have something unique that we don't see every day." In addition, Kickstarter potentially reinforces crowdfunders' expectation of novelty by explicitly prohibiting crowdfunding campaigns for causes that do not involve a novel product or service (e.g., philanthropic donations). Kickstarter claims that crowdfunders use their platform to find something unique as opposed to "ordering something that already exists" (Kickstarter.com, 2019). Prior research and qualitative evidence thus suggest that crowdfunders represent a novelty-expecting audience.

Distinctiveness and resource acquisition from crowdfunders. We will now turn our attention to the normative benefits, cognitive liabilities, and competitive benefits of distinctiveness in the context of crowdfunding. Anchoring to the observation that crowdfunders have high novelty expectations, we expect that distinctiveness will positively influence crowdfunders' evaluations of a venture's normative legitimacy. Crowdfunders will be more likely to perceive a venture as novel when its entrepreneurial story is distinctive from the prototypical story in its market category. Previous crowdfunding research has suggested that crowdfunding-seeking ventures rarely hold any patents or other objective signals of their novelty (Agrawal et al., 2014; Mollick, 2014), and that crowdfunders invest relatively little effort in the due diligence of crowdfunding-seeking ventures (Agrawal et al., 2014; Short et al., 2017). Hence, it seems plausible that the distinctiveness of its entrepreneurial story will affect crowdfunders' perception of a venture's novelty. The distinctiveness of entrepreneurial stories will therefore support ventures' normative legitimacy in the eyes of crowdfunders.

Distinctiveness may reduce ventures' cognitive legitimacy from crowdfunders because it creates ambiguities. Audiences with a low tolerance of ambiguity—broadly defined as "the tendency to perceive ambiguous situations as desirable" (Budner, 1962: 29)—are particularly likely to penalize an ambiguous venture (Aldrich & Fiol, 1994). Low tolerance of ambiguity is associated with a strong need for certainty and categorization, a preference for familiarity over unfamiliarity, and a rejection of that which is different and unusual (Bochner, 1965). Micro-level research has long shown that novelty-seeking individuals demonstrate a high tolerance of ambiguity and even desire some degree of ambiguity (Farley & Farley, 1967; Hirschman, 1980; Kahn, 1995). Such individuals also develop stronger cognitive abilities to deal with ambiguity since they are consistently exposed to novel and ambiguous situations (Budner, 1962; Hirschman, 1980). Hence, we suggest that crowdfunders—as a novelty-expecting audience—will have a high tolerance of ambiguity and will not necessarily disregard ambiguous ventures as potential crowdfunding targets. We thus expect that distinctiveness creates relatively weak cognitive liabilities in the crowdfunding context.

Distinctiveness further provides competitive benefits. Crowdfunding and other platform-mediated online markets tend to become highly crowded because such markets have low barriers to entry (Reuber & Fischer, 2009; Taeuscher, 2019). Platform-mediated online markets are therefore prone to become "so crowded and noisy that it is difficult to distinguish one particular firm from its rivals" (Reuber & Fischer, 2009: 369). Crowded markets generally exhibit a high pressure for differentiation (Taeuscher, 2019), which suggests that crowdfunding-seeking ventures will derive competitive benefits from differentiation. As in other contexts, a distinctive entrepreneurial story can provide a major source of differentiation for crowdfunding-seeking ventures and, consequently, allows ventures to attract attention from crowdfunders. Hence, we expect that distinctiveness will provide substantial competitive benefits for crowdfunding-seeking ventures.

[5] The presented quotes are derived from publicly available answers of 276 crowdfunders to the question: How many projects have you backed and why do you back them? (KickstarterForum.org, 2018). We corrected minor orthographic mistakes in the quotes.

In summary, we expect that there exist substantial normative and competitive benefits of distinctiveness, and that these benefits exceed the cognitive liabilities of distinctiveness in the crowdfunding context. We thus depart from prior optimal distinctiveness research, which has commonly predicted a curvilinear relationship between distinctiveness and desirable performance outcomes (e.g., Deephouse, 1999), and hypothesize:

Hypothesis 1. Distinctiveness has a positive effect on new ventures' resource acquisition from crowdfunders.

Normatively legitimating claims. Ventures can further gain normative legitimacy through claims that resonate with audiences' normative expectations (Lounsbury & Glynn, 2001). Fisher et al. (2017) proposed that the audience of crowdfunders abides by community norms,[6] and that crowdfunding-seeking ventures can consequently gain legitimacy from crowdfunders through *contribution claims*—claims that "reflect the contribution the venture will make to the community and how it will provide value to the members of that community" (Fisher et al., 2017: 59). The collected qualitative evidence supports this proposition and suggests that crowdfunders prefer ventures that deliver some form of social benefit. For instance, one crowdfunder stated that "I especially love to back do-good projects. It's my way of giving back to a world in which there is so much negativity." Another crowdfunder explicitly stated how these normative expectations influence her crowdfunding behavior:

> Some projects totally blow my mind regardless of whether I need the rewards or not. Some I simply have no connection within my realm, but the genuine presentation from the creator and the feeling that it will, on the net, bring goodness to the world will nudge my mouse towards the "pledge" button.

We thus expect that contribution claims in entrepreneurial stories provide an additional source of normative legitimacy. Entrepreneurial stories with contribution claims will more likely resonate with crowdfunders and will increase the likelihood that a venture is perceived as an appropriate recipient of crowdfunding. We thus hypothesize:

Hypothesis 2. Contribution claims have a positive effect on new ventures' resource acquisition from crowdfunders.

Crowdfunders will thus infer a venture's normative appropriateness from entrepreneurial stories' distinctiveness and contribution claims. The legitimating effects of these sources of normative legitimacy are, however, not necessarily additive (Zimmerman & Zeitz, 2002). The relationship between legitimacy and resource acquisition is generally characterized by a "range of acceptability" (Deephouse, 1999: 152). Once a venture has reached an audience's range of acceptability (Deephouse, 1999) it is considered as legitimate and will derive only marginal benefits from additional sources of legitimacy. The potential benefits of legitimacy are also bounded because legitimacy does not provide a source of differentiation (Deephouse, Bundy, Tost, & Suchman, 2017). Once an audience perceives a venture as *sufficiently* legitimate, it will turn its attention to other criteria to evaluate and compare those organizations that are perceived as legitimate (Deephouse & Carter, 2005).

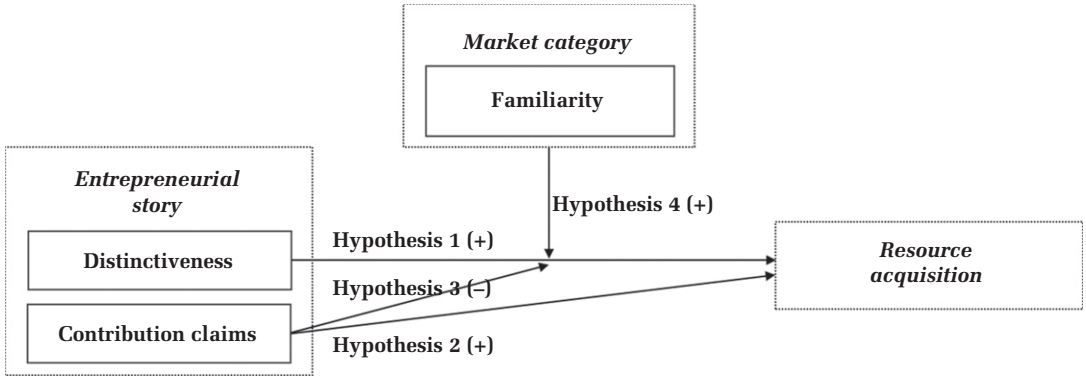
If a venture can tap into different sources of legitimacy and the positive consequences of legitimacy are bounded, then ventures will benefit from any source of legitimacy only until they have reached their audience's range of acceptability. We thus propose that the benefits derived from multiple sources of normative legitimacy will—at least partially—substitute each other. Hence, distinctiveness and contribution claims overlap in their function as sources of legitimacy. A venture that is perceived as sufficiently legitimate due to many contribution claims will face relatively low pressure to gain legitimacy through distinctiveness. This implies that the legitimating effect of distinctiveness is strongest under the absence of contribution claims and decreases at higher levels of contribution claims. We therefore hypothesize:

Hypothesis 3. Contribution claims have a negative moderating effect on the positive relationship between distinctiveness and new ventures' resource acquisition from crowdfunders.

Market category familiarity. Crowdfunders may further infer a proposed venture's novelty from the market category in which it is situated. A key proposition in cultural entrepreneurship theory is that market categories shape perceptions of new ventures (Navis & Glynn, 2010). We focus on *market category familiarity*—the degree to which a market category is familiar to the general public—as an important property of market categories. The familiarity of a

[6] In this context, the term community refers both to the platform-specific crowdfunding community (e.g., Kickstarter community) and to a group of people that will derive benefits from the venture's products or services (e.g., minorities, elderly).

FIGURE 1
Research Model



market category tends to increase as a category emerges and grows.[7] Anchoring to the proposition that crowdfunders are a novelty-expecting audience, we propose that crowdfunders are more likely to perceive a venture as an appropriate crowdfunding target if it operates in a market category that lacks familiarity (i.e., is relatively unfamiliar to the general public). Under the absence of more relevant information, crowdfunders will perceive members of unfamiliar market categories as more novel than those in familiar ones. Membership in a market category with low category familiarity will therefore provide an additional source of normative legitimacy for crowdfunding-seeking ventures.

Extending our previous arguments about the moderating effect of alternative sources of legitimacy, we expect that a venture's membership in an unfamiliar market category will partly substitute the normatively legitimating effect of distinctiveness. As a consequence, we expect that high category familiarity will increase ventures' pressure to convey novelty through a distinctive entrepreneurial story. Hence, distinctiveness will provide stronger normative benefits in market categories that are highly familiar (versus unfamiliar) to the general public. We thus hypothesize:

Hypothesis 4. Market category familiarity has a positive moderating effect on the relationship between distinctiveness and new ventures' resource acquisition from crowdfunders.

[7] The general public tends to become more familiar with market categories as they emerge and grow. However, low category familiarity does not necessarily imply category newness. For instance, the general public was still relatively unfamiliar with the category of 3D printing when Kickstarter launched its crowdfunding platform in 2009, even though 3D printing technology has existed since 1986 (Dormehl, 2019).

Figure 1 graphically summarizes our research model.

METHODS

Data and Sample

We chose data from Kickstarter, the largest rewards-based crowdfunding platform, which allowed us to gather a representative set of crowdfunding campaigns. Since the launch of Kickstarter in April 2009, 14 million crowdfunders have jointly contributed more than 3.5 billion U.S. dollars (USD) to ventures that have sought funding via the platform (Kickstarter.com, 2018). On Kickstarter, ventures fall into a basic category (e.g., technology) and a subordinate category (e.g., 3D printing). Subordinate categories likely provide audiences with a more meaningful cognitive anchor for comprehending a proposed venture and evaluating its novelty. In other words, we assume that crowdfunders will be more likely to understand and evaluate a 3D printing venture by comparing it to a prototypical 3D printing venture rather than a prototypical technology venture. We thus consider Kickstarter's subordinate categories as market categories.

To ensure external validity, we aimed to construct a sample that would represent the heterogeneity of market categories within crowdfunding platforms. Previous research has suggested that audiences may differ in their expectations and evaluations of ventures in technological and nontechnological categories (e.g., Fisher et al., 2016). We thus included all market categories from the basic category of technology in our sample ($n = 15$). To include ventures from nontechnological categories, we chose to include all market categories from the basic categories of art ($n = 12$), food ($n = 5$), and theater ($n = 7$). We

selected those basic categories as they represent both product-centric and service-centric ventures. Many art campaigns offer tangible products in exchange for crowdfunding (e.g., a painting), whereas food and theater campaigns usually offer nontangible rewards (e.g., crowdfunders can attend a theater play). Kickstarter provides an application programming interface (API) and maintains a public record of all successful and unsuccessful crowdfunding campaigns. The full data availability for successfully and unsuccessfully funded campaigns allowed us to overcome a potential survivorship bias, which presents a common empirical challenge in the field of entrepreneurship. We used Kickstarter's API to identify all campaigns in these preselected market categories and gather their campaign-related data points. While Kickstarter operates in several countries, we focus only on U.S.-based campaigns to (a) ensure meaningful textual analysis and (b) eliminate bias from the lagged launch of Kickstarter in other countries. Our sample therefore consists of all U.S.-based crowdfunding campaigns that were launched between May 2009 and September 2017 in the selected 39 market categories.

On Kickstarter, ventures craft a self-description in narrative form, and this description is prominently displayed on their crowdfunding campaign's web page. We used a web-crawling algorithm to gather ventures' crowdfunding narratives. After preliminary data analysis, we eliminated extreme outliers by excluding campaigns with either more than 100,000 backers, a funding goal of more than 10 million USD, or a narrative of fewer than 50 words, as well as campaigns that had previously been launched under the same name by the same individuals. The final sample consists of 28,425 campaigns, spread across all 50 U.S. states.

Dependent Variables

Our dependent variable is the number of *backers* that pledge crowdfunding to a venture during its crowdfunding campaign. New ventures launch rewards-based crowdfunding campaigns to attract financial and nonfinancial resources. Among others, crowdfunding campaigns allow new ventures to develop social capital and attract awareness of their product or service (Butticè, Colombo, & Wright, 2017; Mollick, 2014). Attracting many different crowdfunders as backers can also legitimate new ventures to other audiences, such as professional investors (Fisher et al., 2017). The number of backers consequently provides a suitable proxy for resource acquisition in our context because it reflects the acquisition of both financial and nonfinancial resources. We use the natural logarithm of the number of backers to reduce the measure's relatively high degree of skewness (Calic & Mosakowski, 2016). In robustness tests, we further used the log amount of pledged funding (*funding*) as an alternative dependent variable.

Independent Variables

Distinctiveness. *Distinctiveness* represents the degree to which the content of an entrepreneurial story deviates from the content of the market category's prototypical entrepreneurial story. We used latent Dirichlet allocation (LDA), the most popular and commonly applied topic modeling technique (Hannigan et al., 2019; Schwarz, 2018), to identify common topics in crowdfunding narratives and subsequently represent each crowdfunding narrative as a probabilistic representation of these topics. Such a representation allows quantifying multidimensional constructs such as distinctiveness (Haans, 2019) or novelty (Kaplan & Vakili, 2015) in a reliable and context-authentic manner (Hannigan et al., 2019).

Appendix A provides background information about LDA and our main parameter choices in the topic modeling procedure. Most importantly, we followed previous research (Haans, 2019; Kaplan & Vakili, 2015) and specified the number of topics to 100 to balance the trade-off between topic variation and ease of interpretation. Table A1 provides an overview of all 100 topics and the 20 words that are most representative of each topic. The table also includes proxies for each topic's relative importance within our sample (column 2). We subsequently followed the suggested procedure by DiMaggio (2015) to validate our topic models. This validation procedure, also summarized in Appendix A, suggests that the derived topic model demonstrates high validity.

The topic model allows us to quantify the degree to which the content of an entrepreneurial story deviates from the content of the prototypical entrepreneurial story in the venture's market category. For instance, distinctiveness of a venture in the market category of *3D printing* would indicate the degree to which the content of a 3D printing venture's crowdfunding narrative differs from the average content of all 3D printing ventures (i.e., the prototypical entrepreneurial story of 3D printing ventures). We followed the approach by Haans (2019) and calculated distinctiveness as

$$\sum_{T=1}^{100} abs\left(\Theta_{T,i} - \overline{\Theta}_{T,M}\right) \quad (1)$$

where $\Theta_{T,i}$ refers to venture i's weight for topic T and $\overline{\Theta}_{T,M}$ represents the market category M's average weight for topic T. A given venture's distinctiveness is thus calculated as the sum of absolute deviations between venture *i's* topic weights and the respective market category's average topic weight over 100 topics. Distinctiveness would be 0 if a given narrative used the same topic proportions as the average narrative in the respective market category.

Contribution claims. We used computer-aided text analysis (CATA) to measure the number of *contribution claims* in each crowdfunding narrative. We chose CATA because it provides a structured, systematic, and easily replicable approach for measuring theoretically derived constructs in large amounts of text documents (Short, Broberg, Cogliser, & Brigham, 2010). We followed the multistep CATA dictionary development process suggested by Short et al. (2010) to systematically develop and validate our instrument. Following common practice in CATA research on new ventures (Moss, Renko, Block, & Meyskens, 2018; Moss, Short, Payne, & Lumpkin, 2011), we started with a deductive, theory-based approach to identify words that are synonymous or similar to our construct of interest (e.g., community). To identify these words, it is common practice to start with Rodale's (1978) *The Synonym Finder* (Short et al., 2010). We further used the open-source word search engine relatedwords.org, which draws on a large database of precomputed word vectors of frequently cooccurring words in online texts, to identify words with highly similar usage in written texts. We then extended the word lists through an inductive approach, in which we investigated the 1,000 most frequently occurring words in our sample of crowdfunding narratives. Our final dictionary consists of 57 words. We used the software package DICTION 7.1.3 to execute the dictionary.

We primarily validated the measurement instrument by comparing it to manual coding results. We provided three graduate students with a description of the theoretical construct and asked them to count the respective contribution claims in a sample of 500 crowdfunding campaigns. On average, the manual coding resulted in a higher absolute number of contribution claims (3.68 versus 2.17) but was highly correlated with our CATA-based measure ($r = 0.58$, $p < 0.001$). We thus conclude that our measure provides a reliable proxy for contribution claims. Appendix B, Table B1, presents the included words in the final dictionary. Table B2 presents exemplary excerpts of crowdfunding narratives that contain few or many contribution claims.

We manually examined observations with a high share of contribution claims. Most of these outliers contain one of the keywords in the venture's name. To prevent a systematic bias from such outliers, we excluded all campaigns that exceeded the relative share of contribution claims by more than 10 standard deviations (4.6% of words). This decision eliminated 35 campaigns.

Market category familiarity. To test Hypothesis 4, we aimed to develop a measure that can represent intracategory and intercategory differences in the degree to which a market category is familiar to the general public. We operationalized market category familiarity through the volume of media coverage in leading newspapers. Media coverage is commonly considered a good indicator of the general public's familiarity with an organization or category (Kennedy, 2008; Pollock & Rindova, 2003; Pollock, Rindova, & Maggitti, 2008) because the mainstream media focuses the general public's attention on certain topics and therefore shapes the degree to which the public becomes familiar with a topic (Pollock & Rindova, 2003). Cultural entrepreneurship research has also highlighted that coverage in the mainstream media represents a central source "by which the general public learns about new and evolving market categories and products" (Navis & Glynn, 2010: 448). We followed previous category research (e.g., Navis & Glynn, 2010) and focused on press articles published by *The New York Times* and *The Washington Post*.[8] Using the news archive *LexisNexis*, we searched for articles that included the market category's label—singular or plural—in their headline. As the meaning of market categories partly depends on their basic category (e.g., art, technology), we included only articles that mentioned the label of the basic category (including word stems like tech*) at least once in the article. This decision helped to avoid false positives for market categories with relatively ambiguous category labels such as *plays* (basic category: theater). While our study's observation period is 2009 to 2017, we collected and counted all articles that had been published since January

[8] Navis and Glynn (2010) additionally included articles from the *Wall Street Journal*. In our context, a newspaper with a strong business focus is likely less relevant to inform and represent the market categories' legitimacy in the eyes of the general public, and we thus decided against including articles from this newspaper.

1977—the first month of data availability in the LexisNexis news archive. We chose the cumulative number of news articles (rather than the number of new articles published in a given period) to account for the path-dependent nature of category familiarity and to reduce the measure's sensitivity to short-term fluctuations in media attention. We logged the variable to reduce skew. Our resulting measure of *category coverage* therefore represents the logged cumulative volume of news articles about a given market category in the mainstream media up until the month in which a given venture's crowdfunding campaign has ended.

Our search revealed a total of 40,917 articles, out of which 25,331 appeared in *The New York Times* and 15,586 in *The Washington Post*. Within our study's observation period, 3.1 articles were published per category-month. The patterns in category familiarity differ widely between and within market categories. Some market categories received relatively consistent coverage over the observation period (e.g., plays), while the coverage of others increased substantially during our observation period (e.g., 3D printing). Four market categories (e.g., makerspaces) did not receive any coverage until the end of the observation period.

Control Variables

Campaign-level controls. We follow prior studies (Calic & Mosakowski, 2016; Josefy, Dean, Albert, & Fitza, 2017; Mollick, 2014) and include eight control variables at the campaign level: funding goal, launch rank, staff pick, duration, reward levels, video, and length. *Funding goal* represents to the logged dollar amount a venture intends to raise with its crowdfunding campaign. *Launch rank* represents the relative entry timing of the venture in comparison to all other ventures in the sample. The launch rank is standardized to continuous values between 0 and 1, with the earliest campaign in the sample set to a value of 0 and the latest campaign set to a value of 1. Kickstarter endorses some campaigns ("Projects We Love"), and we include *staff pick* as a binary measure that indicates such an endorsement. *Duration* represents the number of days between the launch and closing of each crowdfunding campaign. *Reward levels* represent the number of different rewards offered within a given crowdfunding campaign. Ventures typically offer rewards at different levels of financial contributions, ranging from purely symbolic ones at small contribution levels ("Pledge $10 or more and we will send you a thank you note") to rewards of higher financial value ("Pledge $500 or more and you will receive four tickets to our opening night"). *Video* controls for the number of videos in a crowdfunding campaign. As the number of videos is highly skewed and demonstrates an excess of zeros (i.e., many campaigns have no video), we recoded the measure as a categorical variable with four values: no video, one video, few videos (2–4 videos), and many videos (5 or more videos).

We further included *length* as a control variable that represents narratives' logged number of words because the length of a narrative may indicate a campaign's quality (Calic & Mosakowski, 2016). Preliminary analyses also showed a relatively high correlation between this measure and the independent variable of contribution claims ($r = 0.46$). Using the modified Gram–Schmidt procedure (Golub & van Loan, 1989), as implemented in Stata's *orthog* function (Sribney, 1998), we orthogonalized these two variables to prevent multicollinearity problems.[9] In the models, we use the original measure of *contribution claims* and the orthogonalized measure of *length*.

Creator-level controls. We further control for heterogeneity at the creator level by including two variables: *projects backed* and *creator projects*. We control for the number of projects backed by the creator of the crowdfunding campaign (*projects backed)* because individuals are more likely to back projects by founders that are more active in the Kickstarter ecosystem (Josefy et al., 2017). We log-transform the value to reduce the skew from highly active creators. When visiting a crowdfunding campaign, individuals further learn about founders' crowdfunding experience in previous Kickstarter projects. We control for the number of previously launched projects by the same campaign creator (*projects created)* to account for differences in entrepreneurs' crowdfunding experience (Allison, Davis, Webb, & Short, 2017).

Location-level controls. Previous research has shown that informal institutions at the local geographic level may affect crowdfunding outcomes. Josefy et al. (2017) found that a region's *artistic culture* can affect whether ventures in this region will receive funding for artistic projects. We follow the

[9] Orthogonalization enables transformation of a set of variables into a new set of variables that are orthogonal to each other (Golub and van Loan, 1989). After the transformation, *length* is completely uncorrelated ($r = 0.000$, $p = 1.000$) with both the original and transformed measure of *contribution claims*.

operationalization of artistic class by Josefy et al. (2017). The measure represents the percentage of a city's population that is employed in the visual, applied, and performing arts. We use city-level data as gathered in the American Community Survey and provided by the Economic Research Service of the U.S. Department of Agriculture. We additionally include a measure for *regional income* to account for the fact that crowdfunders may be more likely to contribute to ventures within their geographic proximity. Ventures in economically wealthy regions may therefore be more likely to receive crowdfunding. Using data from the U.S. Census Bureau, the measure represents the log amount of per capita income in USD in the state in which the venture is based.

Market category–level controls. We include dummies for each of the four basic categories to fully control for intercategory heterogeneity. These dummies can, among others, net out any unobservable heterogeneity between technological and nontechnological market categories. We further control for differences in market categories' crowding because higher crowding likely increases the pressure for differentiation and the potential competitive benefits of distinctiveness. *Crowding* represents the number of campaigns that seek crowdfunding in the same market category during the month in which a given venture's campaign is ending. To prevent multicollinearity issues, we orthogonalized category coverage and crowding. Our models include the untransformed measure for *category coverage* and the orthogonalized measure of crowding.

Platform-level controls. We further include three measures to control for intertemporal heterogeneity from changes in Kickstarter's platform and other macro-level dynamics. The measure *Kickstarter age* represents the age of Kickstarter at the launch of a given campaign, expressed as the number of months since Kickstarter launched in April 2009. This measure can directly account for the legitimation of Kickstarter itself and any other macro-level effects. We further control for a specific change in Kickstarter's policies in June 2014. Before that change, Kickstarters' employees manually reviewed each venture's campaign before granting access to their crowdfunding platform. In June 2014, Kickstarter abandoned manual reviews and started to rely primarily on algorithmic checks to very that a venture complies with Kickstarter's rules. As this policy change might affect campaigns' average quality, we add a dummy variable (*manual review*) that equals 1 for all campaigns that registered before June 2014 and 0 otherwise. Naturally, this dummy variable correlates highly with *Kickstarter age (*$\beta = -0.82$*).* We orthogonalized *Kickstarter age* and *manual review* to prevent potential multicollinearity problems, and included the orthogonalized *Kickstarter age* and the untransformed dummy for *manual reviews* in our main models. We further recognized that there exist seasonal effects that seemingly influence crowdfunding outcomes. For instance, campaigns ending in January attract, on average, significantly more backers (152.7) than campaigns ending in February (87.3). We thus include month dummies to control for such seasonal effects.

RESULTS

Table 1 provides descriptive statistics and correlations. Each venture attracted, on average, 128.3 backers (median = 13) and 15,702 USD in funding (median = 680).

Table 2 presents our main analyses, in which we ran ordinary least squares (OLS) regression models for the dependent variable of backers. We calculated all models in Stata 15 and specified our regression models with robust standard errors to deal with potential heteroskedasticity (White, 1980). Analysis of the models' uncentered variance inflation factors (VIF) would detect potential multicollinearity problems. The mean VIF values of the models ranged between 1.4 and 2.6 (maximum individual VIF of 7.29). As only VIF values larger than 10 indicate problems with multicollinearity (Stock & Watson, 2007), we conclude that no such problems exist in our models.

Hypothesis 1 stated that distinctiveness has a positive effect on new ventures' resource acquisition from crowdfunders. Model 1 confirms that distinctiveness has a significant and positive effect on backers ($p < 0.001$). This provides strong support for Hypothesis 1.

Hypothesis 2 stated that contribution claims have a positive effect on new ventures' resource acquisition from crowdfunders. Model 1 demonstrates a significantly positive effect of contribution claims on backers *(*$p < 0.001$) and therefore provides strong support for Hypothesis 2.

Hypothesis 3 stated that contribution claims negatively moderate the relationship between distinctiveness and resource acquisition. Model 2 includes an interaction term between distinctiveness and contribution claims. The model confirms that the interaction term has a significant and negative effect on backers ($p < 0.001$). This finding supports Hypothesis 3.

TABLE 1
Descriptive Statistics and Correlation Table

	Variable	Mean	*SD*	Min.	Max.	1	2	3	4	5	6	7	8
1	Backers[a]	2.71	1.90	0.00	10.59	1.00							
2	Distinctiveness	0.71	0.15	0.25	1.55	0.21	1.00						
3	Contribution claims	2.17	3.08	0.00	45.00	0.22	0.12	1.00					
4	Category coverage[a]	5.51	2.20	0.00	8.15	−0.10	−0.13	0.00	1.00				
5	Launch rank	0.50	0.29	0.00	1.00	−0.03	−0.10	0.03	0.04	1.00			
6	Funding goal[a]	8.79	1.83	0.01	16.12	0.09	0.03	0.12	0.15	0.16	1.00		
7	Duration	33.65	12.60	1.00	91.00	−0.04	0.02	−0.01	0.05	−0.05	0.23	1.00	
8	Reward levels	7.47	5.45	0.00	121.00	0.47	0.16	0.23	−0.05	−0.02	0.14	0.00	1.00
9	Staff pick	0.12	0.32	0.00	1.00	0.42	0.07	0.14	−0.07	−0.07	0.08	−0.02	0.25
10	Length[b]	0.00	1.00	−5.39	9.94	0.38	0.25	0.00	−0.04	0.02	0.24	0.03	0.33
11	Video	0.41	0.61	0.00	3.00	0.62	0.16	0.15	−0.09	0.05	0.01	−0.05	0.32
12	Projects created	1.06	1.86	0.00	89.00	0.03	0.05	−0.03	0.01	0.09	0.03	0.03	0.00
13	Projects backed	2.04	12.82	0.00	776.00	0.16	0.04	0.04	0.01	0.01	0.04	0.00	0.08
14	Creator team	0.65	0.94	0.00	2.00	0.23	0.08	0.08	−0.03	0.07	0.13	0.05	0.12
15	Regional income[a]	9.31	0.83	7.25	10.00	0.13	0.02	0.04	−0.01	−0.01	0.02	0.01	0.05
16	Artistic culture	0.30	0.08	0.09	0.50	0.17	0.05	0.03	0.00	−0.04	0.02	−0.01	0.08
17	Crowding[b]	3.63	1.00	0.00	5.78	−0.11	0.03	−0.04	0.00	−0.17	0.04	−0.02	−0.07
18	Manual review	0.31	0.46	0.00	1.00	0.13	0.15	0.00	−0.09	−0.80	−0.18	0.02	0.06
19	Kickstarter age[b]	0.00	1.00	−3.66	2.07	0.14	0.04	0.06	−0.04	0.55	0.05	−0.09	0.07
20	Funding[a]	5.95	3.36	0	15.64	0.93	0.21	0.22	−0.09	−0.03	0.11	−0.03	0.46

	Variable	9	10	11	12	13	14	15	16	17	18	19	20
9	Staff pick	1.00											
10	Length[b]	0.19	1.00										
11	Video	0.31	0.29	1.00									
12	Projects created	0.01	0.09	0.01	1.00								
13	Projects backed	0.08	0.12	0.10	0.15	1.00							
14	Creator team	0.10	0.14	0.19	0.03	0.03	1.00						
15	Regional income[a]	0.09	0.05	0.09	0.00	0.03	0.07	1.00					
16	Artistic culture	0.13	0.06	0.13	−0.01	0.03	0.09	0.31	1.00				
17	Crowding[b]	−0.10	−0.04	−0.09	−0.03	−0.04	−0.02	−0.03	−0.02	1.00			
18	Manual review	0.07	0.03	0.03	−0.11	−0.01	−0.04	0.02	0.06	−0.03	1.00		
19	Kickstarter age[b]	−0.02	0.11	0.12	0.01	0.00	0.05	0.00	−0.01	−0.21	0.00	1.00	
20	Funding[a]	0.36	0.37	0.59	0.01	0.14	0.21	0.12	0.16	−0.13	0.13	0.14	1.00

[a] After logarithmic transformation.
[b] After orthogonalization.

Hypothesis 4 stated that market category familiarity positively moderates the relationship between distinctiveness and crowdfunding. Model 3 demonstrates that the interaction between distinctiveness and category coverage has a significantly positive effect on backers ($p < 0.001$). This provides strong support for Hypothesis 4.

Robustness Tests and Supplementary Analyses

We executed various tests to verify the robustness of our results, rule out alternative explanations, and quantify the effect size for the tested relationships.

Relationship between distinctiveness and backers. We first aimed to rule out the alternative hypothesis that the relationships between distinctiveness and backers would follow a curvilinear, rather than linear, relationship. We added the squared term of distinctiveness (*distinctiveness-square*) to model 1. A minimum condition for an inverted *U*-shaped relationship would be that *distinctiveness-square* has a significantly negative effect on backers. The effect on backers is negative but not statistically significant ($p = 0.109$). We subsequently tested the joint hypothesis that the relationship between distinctiveness and backers is positive at low values of distinctiveness and negative at high distinctiveness values by running the *utest* command in Stata (Lind & Mehlum, 2010). The test results suggest rejecting a curvilinear relationship ($p = 0.387$) and consequently add further support to our Hypothesis 1.

TABLE 2
Regression Results for Backers

	Model 1		Model 2		Model 3	
	β	*p*	β	*p*	β	*P*
Launch rank	−0.03	0.816	−0.04	0.743	−0.00	0.990
Funding goal	−0.01	0.319	−0.01	0.334	−0.00	0.343
Duration	−0.00***	0.000	−0.00***	0.000	−0.00***	0.000
Reward levels	0.07***	0.000	0.07***	0.000	0.07***	0.000
Staff pick	1.06***	0.000	1.06***	0.000	1.06***	0.000
Length	0.18***	0.000	0.18***	0.000	0.18***	0.000
Video	Included		Included		Included	
Projects created	−0.00	0.528	−0.00	0.544	−0.00	0.640
Projects backed	0.01***	0.000	0.01***	0.000	0.01***	0.000
Creator team	0.13***	0.000	0.13***	0.000	0.13***	0.000
Regional income	0.06***	0.000	0.06***	0.000	0.06***	0.000
Local artistic culture	1.37***	0.000	1.37***	0.000	1.37***	0.000
Food[a]	0.10***	0.001	0.09**	0.004	0.12***	0.000
Technology[a]	0.29***	0.000	0.29***	0.000	0.29***	0.000
Theater[a]	0.26***	0.000	0.26***	0.000	0.28***	0.000
Crowding	−0.03**	0.005	−0.03**	0.005	−0.02*	0.022
Manual review = 1	0.43***	0.000	0.42***	0.000	0.44***	0.000
Kickstarter age	0.10***	0.000	0.10***	0.000	0.10***	0.000
Month dummies	Included		Included		Included	
Category coverage	−0.03***	0.000	−0.03***	0.000	−0.11***	0.000
Distinctiveness	0.46***	0.000	0.66***	0.000	−0.20	0.207
Contribution claims	0.04***	0.000	0.11***	0.000	0.04***	0.000
Distinctiveness × contribution claims			−0.10***	0.000		
Distinctiveness × category coverage					0.12***	0.000
Constant	0.08	0.570	−0.05	0.712	0.51**	0.002
R^2	0.558		0.558		0.558	

Note: $n = 26{,}724$
[a] in comparison to *Art* (baseline).
* $p < 0.05$
** $p < 0.01$
*** $p < 0.001$

Alternative dependent variable. To assess the robustness our findings, we repeated our analyses using *funding* as the dependent variable. Following previous crowdfunding research (e.g., Calic & Mosakowski, 2016), we measure funding as the log amount of dollars pledged to a given crowdfunding campaign. The results of these analyses, presented in Appendix C, Table C1, strongly align with the findings in our main models. All hypothesis-testing relationships are significant ($p < 0.001$) and confirm the predicted directions. These findings suggest that our findings are robust across different forms of entrepreneurial resource acquisition.

Alternative operationalization of distinctiveness. We further aimed to test whether our findings are sensitive to our chosen operationalization of distinctiveness. We first reran our models with alternative prototype specifications. We operationalized a given crowdfunding campaign's distinctiveness vis-à-vis the prototypical crowdfunding narrative (i.e., average topics across all market categories), the prototypical narratives at the level of basic categories (e.g., the prototypical narrative in technology categories), the prototypical narrative in a market category in a given year (e.g., prototypical 3D printing narrative in 2016), and the prototypical narrative in a market category in a given quarter. Appendix C, Table C2, shows that our findings remain consistent when we operationalize distinctiveness vis-à-vis alternative reference points. Various robustness tests further confirmed that our findings are not sensitive to the chosen number of topics in our topic model. Appendix C, Tables C3 and C4, represent alternative models, in which we set the number of topics to 50 and 200, respectively. These tables, and identical analyses for the dependent variable of funding, suggest that our results are robust across different topic model specifications.

Alternative operationalization of market category familiarity. We further tested whether the moderating effect of market category familiarity is sensitive to our specification of category coverage. Appendix C, Table C5, presents robustness tests, in which we transform the category coverage variable into a binary measure, in which a value of 0 represents low category coverage and 1 represents high category coverage (i.e., a familiar category). The models, in which we specify the threshold for *high category coverage* to 1, 10, 50, 100, or 200 news articles, demonstrate that the binary variable of high category coverage has a positive moderating effect that is statistically significant (at $p < 0.001$). These tests further support Hypothesis 4.

Estimation of effect sizes. To estimate the practical significance of distinctiveness and contribution claims, we postestimated the effect of a one standard deviation increase in each of these variables based on model 1. Using the *listcoef* command in Stata (Long & Freese, 2014), we find that a one standard deviation increase in distinctiveness (0.15) increases the predicted log number of backers by 6.7%. A one standard deviation increase in contribution claims (3.1) leads to an increase of 13% in the log number of backers. We further ran Poisson regressions to estimate the absolute number of backers (and funding dollars) that an average venture could expect from low and high distinctiveness. Using Stata's *margins* command, we calculated the average number of backers (or funding) at fixed levels of low and high distinctiveness. We used the empirically observed minimum and maximum values for distinctiveness to specify *low distinctiveness* and *high distinctiveness*. Predictions at the fixed level of high distinctiveness lead, on average, to 145 backers and 18,686 funding dollars. This corresponds to an increase of 32% more backers and 47% more funding in comparison to the condition of low distinctiveness. These estimations demonstrate the high practical significance of distinctiveness and contribution claims.

We further aimed to estimate the practical significance of our moderation effects. To do so, we predicted the number of backers at combinations of low–high distinctiveness and few–many contribution claims (based on model 2) and low–high distinctiveness and low–high category coverage (based on model 3). To meaningfully compare the size of the two moderation effects, we specified *few contribution claims* and *low category coverage* to one standard deviation below the respective sample means, and *many contribution claims* and *high category coverage* to one standard deviation above sample means.[10] The marginal effect of a one standard deviation increase in distinctiveness on backers is 84% weaker under the condition of many contribution claims (versus no contribution claims). For the dependent variable of funding, this marginal effect of distinctiveness is even 100% weaker under the condition of many (versus no) contribution claims. The marginal effect of a one standard deviation increase in distinctiveness is 65% (on backers) and 77% (on funding) weaker under the condition of low category coverage (versus high category coverage). These comparisons suggest that the legitimating effect of distinctiveness is greatest under the absence of alternative sources of legitimacy.

Figure 2 represents these estimations graphically. The plots present the predicted number of backers at different levels of distinctiveness and at fixed levels of few–many contribution claims (left panel) and low–high category coverage (right panel). The plots illustrate that the relationship between distinctiveness and backers is substantially contingent on contribution claims and category coverage. The left-hand plot shows that the slope of the relationship between distinctiveness and backers is steeper under the absence of contribution claims. Hence, ventures benefit more from increased distinctiveness when they lack contribution claims. The plot also illustrates the positive direct relationship between contribution claims and backers. The right-hand plot demonstrates that the marginal effect of distinctiveness is higher in more familiar market categories (i.e., categories with a high category coverage). This demonstrates that ventures in familiar market categories benefit more from distinctiveness than do those in unfamiliar ones. The right-hand plot also demonstrates the negative direct effect of category coverage on backers by showing that ventures in categories with low coverage attract more backers than do those in categories with high coverage—unless they have high distinctiveness.

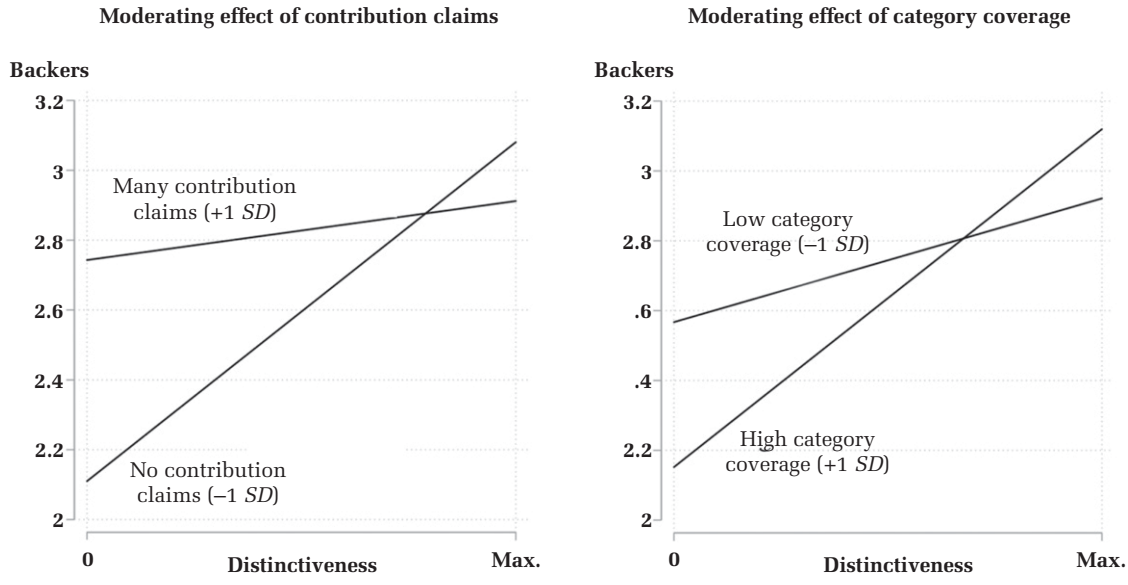
DISCUSSION AND CONCLUSION

Contributions to Research on Cultural Entrepreneurship and Optimal Distinctiveness

The theoretical tension between categorical similarity and distinctiveness has sparked much interest

[10] In absolute terms, these points correspond to entrepreneurial stories with 0 and 5.2 contribution claims, and market categories with 27 and 2228 cumulated news articles.

FIGURE 2
Relationship between Distinctiveness and Backers



in cultural entrepreneurship (Gehman & Grimes, 2017; Lounsbury et al., 2019; Lounsbury & Glynn, 2001; Lounsbury & Glynn, 2019; Martens et al., 2007; Navis & Glynn, 2011) and resulted in the proposition that entrepreneurial stories need to balance similarity and distinctiveness to achieve "optimal distinctiveness." This paper set out to advance the optimal distinctiveness proposition and apply our theoretical propositions to the context of crowdfunding.

Our study contributes primarily to the cultural entrepreneurship literature. One key contribution is that we disentangle how distinctiveness shapes the cognitive and normative dimension of organizational legitimacy. This allowed us to introduce normative legitimacy as an important mechanism that mediates the relationship between distinctiveness and resource acquisition. Cultural entrepreneurship research has strongly drawn on multidimensional conceptualizations of organizational legitimacy (Aldrich & Fiol, 1994; Suchman, 1995); however, prior discussions of optimal distinctiveness have primarily focused on the cognitively legitimating effect of entrepreneurial stories (Martens et al., 2007; Navis & Glynn, 2011). We complement this prior research by highlighting the normatively legitimating effect of entrepreneurial stories. By outlining that distinctiveness can provide a source of normative legitimacy under certain conditions, we challenge the assumption that high distinctiveness necessarily counteracts the attainment of legitimacy. One implication is that legitimacy can simultaneously unfold a negative effect on a venture's cognitive legitimacy and a positive effect on its normative legitimacy. This allowed us to advance understanding about optimal distinctiveness by highlighting that distinctiveness has a strictly positive effect on resource acquisition—as opposed to the previously theorized inverted *U* shape—when the marginal benefits of distinctiveness exceed the marginal liabilities of distinctiveness at low, moderate, and high levels of distinctiveness. The relationship between distinctiveness and resource acquisition, therefore, depends on the relative size of (a) competitive benefits (differentiation), (b) normative benefits (normative legitimacy), and (c) cognitive liabilities (reduced cognitive legitimacy) that result from distinctiveness in a given institutional context.

Our study also contributes by uncovering specific contingencies for the trade-off between categorical similarity and distinctiveness. We draw attention to the critical role of audiences' normative expectations and conceptualize *novelty expectations* as a relevant property of audiences. We argued that ventures need to convey their novelty to gain legitimacy in the eyes of novelty-expecting audiences like crowdfunders. Distinctive entrepreneurial stories support perceptions of a venture's novelty and ultimately make the venture more normatively legitimate to such audiences. This audience-level property therefore suggests a boundary condition for the theorized optimal distinctiveness trade-off, and implies that ventures

should aim for high levels of distinctiveness when seeking resources from such audiences. Our study complements previous examinations of entrepreneurial storytelling, which primarily focused on professional investors (Martens et al., 2007; Navis & Glynn, 2011). By demonstrating how audiences' expectations shape evaluations of similarity and distinctiveness, we add weight to the claim that new venture legitimation differs between different audiences (Fisher et al., 2017).

We further emphasized that the relationship between distinctiveness and resource acquisition is contingent on the availability of other sources of legitimacy. Prior research has suggested that ventures can gain legitimacy through alternative sources of legitimacy (Zimmerman & Zeitz, 2002), which jointly help a venture to reach an audience's range of acceptability (Deephouse, 1999). Additional sources of legitimacy will only provide very marginal benefits if a venture is already positioned within an audience's range of acceptability. We therefore proposed that the legitimating effect of distinctiveness decreases under the presence of alternative sources of legitimacy. Our study supported this proposition by showing that the presence of contribution claims in entrepreneurial stories—a source of new venture legitimacy in crowdfunding (Fisher et al., 2017)—negatively moderates the relationship between distinctiveness and resource acquisition. Entrepreneurial stories nevertheless attract the most resources when they convey high distinctiveness and contain many contribution claims. We further suggested that membership in an unfamiliar market category can support perceptions of novelty and consequently provide an additional source of legitimacy to crowdfunders. Our study supported this hypothesis and showed that the familiarity of a market category positively moderates the relationship between distinctiveness and resource acquisition. Our analyses further confirmed the assumption that category familiarity has a negative direct effect on ventures' resource acquisition from crowdfunders. By emphasizing how market categories shape evaluations of normative legitimacy, we complement prior research's focus on the cognitively legitimating function of market categories (Glynn & Navis, 2013; Lounsbury & Glynn, 2001; Navis & Glynn, 2010; Wry et al., 2011). Our findings regarding the contingent role of contribution claims and market category familiarity provide further evidence for our two main propositions: distinctiveness provides a source of legitimacy to novelty-expecting audiences, and the presence of alternative sources of legitimacy will reduce the legitimating effect of distinctiveness.

Our theorization and empirical tests further advance the optimal distinctiveness discussion in strategic management and organization theory (Deephouse, 1999; Zhao et al., 2017), where prior research has neglected the role of audience perceptions as mediator between distinctiveness and organizational performance outcomes (Zhao et al., 2017). We add to this discussion by highlighting that audiences' expectations and tolerance of ambiguity shape the outcomes of (strategic) distinctiveness. Our audience-centric perspective can help explain findings that seemingly contradict the theorized trade-off between similarity and distinctiveness. For instance, the high novelty expectations and tolerance of ambiguity of mobile app users may explain why recent research has found a strictly negative relationship between the prototype similarity (i.e., nondistinctiveness) and performance of mobile apps (Barlow et al., 2019). In doing so, we extend an emerging line of optimal distinctiveness research that has challenged the assumption that moderate levels of distinctiveness will always yield the best performance outcomes (Barlow et al., 2019; Haans, 2019; Zhao et al., 2018).

Generalizability and Limitations

We suspect that our empirical findings are most generalizable to contexts in which novelty-seeking individuals or organizations make choices between a large number of competing organizations, products, or ideas. Among others, we may expect similar empirical relationships in corporate innovation contests (e.g., Boudreau, Lacetera, & Lakhani, 2011; Piezunka & Dahlander, 2015), in which evaluators have to choose promising ideas from a large pool of submissions. Our findings may also generalize to many cultural industries in which competition is driven by consumers' search for novelty (e.g., Lampel, Lant, & Shamsie, 2000), and other online marketplaces in which consumers search for novel products (e.g., app marketplaces). Within the entrepreneurial domain, our findings may directly generalize to startup competitions such as Startup Battlefield, in which evaluators seek out "the most disruptive startups" (Techcrunch, 2019). Our study has conceptualized and operationalized distinctiveness as a property of entrepreneurial stories; however, our findings likely also generalize to other forms of differentiation, such as those based on the composition of product portfolios (Cennamo & Santaló, 2013; Deephouse, 1999) and product features (Zhao et al., 2018), under the outlined boundary conditions.

One limitation of our chosen context and methodological approach is that it did not allow for direct measures of legitimacy. These decisions are in line with existing studies on optimal distinctiveness, which have also treated legitimacy as a latent mechanism (Barlow et al., 2019; Deephouse, 1999; Haans, 2019; Zhao et al., 2018). There exists broad consensus that legitimacy—as an organizational property—may not be directly observable (Deephouse et al., 2017; Suddaby, Bitektine, & Haack, 2017). Some previous studies have, however, operationalized (normative) legitimacy by proxies such as the tenor of an organization's coverage by mainstream media (e.g., Lamin & Zaheer, 2012; Vergne, 2010). Such media-based proxies are less suited to crowdfunding-seeking ventures because ventures in their nascent stages rarely receive attention from mainstream media.[11] We thus encourage future research to examine our theoretical propositions in contexts in which there exist observable proxies for normative and cognitive legitimacy, or to test our proposed mechanisms experimentally.

Implications for Entrepreneurs and Crowdfunding-Seeking Ventures

Crowdfunding platforms offer new ventures an exciting environment to attract early funding and nonfinancial resources. However, this context also presents new challenges to entrepreneurs (Short et al., 2017). Our theorization and results provide useful insights for entrepreneurs who aim to attract crowdfunding. First, our study suggests that high distinctiveness provides strong benefits for crowdfunding-seeking ventures. Hence, entrepreneurs should strongly differentiate their narrative from those of other crowdfunding campaigns in the same market category. Second, entrepreneurs can increase their crowdfunding performance by including contribution claims in their entrepreneurial story. Our developed dictionary provides a list of concrete words that entrepreneurs can use to trigger perceptions of normative appropriateness among crowdfunders. Third, our finding that crowdfunding outcomes systematically differ between market categories suggests that entrepreneurs can substantially increase their resource acquisition from crowdfunders by positioning their venture in a market category that is perceived as novel.

More broadly, our findings highlight the important role of entrepreneurial stories and audience expectations. Our findings can provide entrepreneurs with a clear business case for why they should invest time and energy into the development of entrepreneurial stories that resonate with the norms and expectations of their audiences. Whether an entrepreneurial venture sacrifices legitimacy by "being different" ultimately depends on the norms and expectations of its audience. In the case of novelty-expecting audiences, distinctiveness can even increase a venture's legitimacy.

[11] Alternative conceptualizations of legitimacy have resulted in different empirical operationalizations. For instance, a recent study on legitimacy in crowdfunding (Soublière & Gehman, 2020) conceptualized legitimacy as an outcome of a legitimation process and used the amount of pledged funding as a proxy for legitimacy. Such outcome-based proxies are, however, less suited for our research purpose because they cannot account for the presence of mechanisms other than legitimation (e.g., differentiation) in explaining resource acquisition outcomes.

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APPENDIX A

SUPPLEMENTAL INFORMATION ABOUT TOPIC MODELING APPROACH

Latent Dirichlet allocation (LDA) inductively reveals topics within a specific text corpus and therefore does not require researchers to specify topics in advance (Jennings et al., 2019). LDA builds on the assumption that people use similar words when they talk about the same theme or topic. Hence, the meaning of a word in a context is relational and can be inferred from patterns of word cooccurrences within that context. LDA thus uses weighted word cooccurrences to identify topics within a text corpus and subsequently estimates probabilities that a given word represents a given topic. It also treats the words in a text as probabilistic representations of the documents' cognitive content (Jennings et al., 2019). LDA is particularly suited to deal with the fact that words can have more than one meaning and can represent more than one topic ("polysemy"). By assigning probabilities that a given word is representative of a given topic, LDA does not assume mutual exclusivity between topics. Through an iterative process, LDA creates a word-topic matrix and subsequently represents each text in the corpus as a vector of topics and their weighted probabilities (Blei, Ng, & Jordan, 2003).

The narratives of all crowdfunding campaigns in our sample *(n* = 28,425) provide our text corpus to identify common topics in crowdfunding narratives. The mean length of crowdfunding narratives in our sample is 529.6 words (*SD* = 507, min. = 50, max. = 5224). Following best practices in text-based analysis, we first cleaned all texts by removing nonalphanumeric characters, a predefined list of generic words ("stop words") such as "and" or "for," and all words that occurred in more than 50% of texts, as well as words that occurred less than 10 times in the entire text corpus (Williams & Williams, 2014). While some researchers have suggested stemming or lemmatizing words in the corpus, we decided against such a transformation because there exists the substantial risk that important meaning is stripped from the words. For instance, stemming reduces the words *operative, operating*, and *operational* to their common stem of *oper*. This transformation is problematic as it omits the differences between word cooccurrences such as operative and dentistry, operating and system, or operational and research (Blei, Ng, and Jordan, 2003). After cleaning, we arrived at a corpus of 28,425 documents and 17,318 unique words.

Researchers need to specify the number of topics to be identified by the algorithmic transformation of the document-text matrix. In contrast to numeric clustering approaches, there are no commonly accepted rules of thumb for selecting the number of topics. Following the two studies that have used LDA for similar purposes (Haans, 2019; Kaplan & Vakili, 2015), we specified our algorithm to identify 100 topics. Haans (2019) made a good case that 100 topics can satisfy the demand for sufficient variance while ensuring that meaningful human interpretation is still possible. Our approach thus assumes that there exist 100 relevant topics in the institutional field of crowdfunding and that each entrepreneurial story represents a weighted configuration of these topics. We also followed previous research (Haans, 2019; Kaplan & Vakili, 2015) in our choice of the sampling algorithm (Gibbs sampling algorithm) and specification of the algorithm's smoothing parameters ($\alpha = 0.5$, $\beta = 0.1$). We executed the algorithm with STATA's *ldagibbs* command (Schwarz, 2019). We ran 400 iterations with the sampling algorithm and reached topic convergence after around 200 iterations. We followed Griffiths and Steyvers (2004) and specified our algorithm to collect 10 samples for iteratively determining the probabilities that a given word is part of a topic.

Validation of Topic Model

To date, there exists no universally accepted validation method for topic models. We followed the suggestions of DiMaggio (2015) and tested whether the resulting topic model effectively deals with polysemy. DiMaggio (2015) proposes that the topic model is valid if it classifies identical words into different topics with interpretable meanings. The table in Appendix A2 illustrates words that are highly representative of different topics. While the table is limited to three topics per word, some words occur in more topics. For instance, the word *community* has a high probability for five different topics. In topic 2, it cooccurs with words like help, support, provide, and project. In topic 37, it cooccurs with words like city, public, park, local, mural, building, and street. In topic 47, community cooccurs with words like food, farm, garden, grow, local, produce, organic, growing, and plants. In topic 75, the word cooccurs with words like world, life, love, and share. In topic 91, community cooccurs with words like students, school, learn, program, learning, education, student, and skills. While the meaning of these topics is a matter of interpretation, they seem to relate to different meanings of the word community, such as crowdfunding community (topic 2), neighborhood (topic 37), cooperative (topic 47), group of likeminded people (topic 75), or support group (topic 91). We thus conclude that the derived topic model demonstrates sufficient validity (DiMaggio, 2015).

TABLE A1
Overview of Topics

Topic ID	Topic loading	Topic weight (%)	20 most representative words for topic
1	579.7	2.0	board, arduino, open, hardware, source, power, use, control, kit, software, project, projects, controller, computer, using, electronics, boards, used, raspberry, easy
2	841.2	3.0	community, help, people, support, through, create, provide, local, world, project, creative, mission, arts, share, more, social, members, non, youth, bring
3	825.9	2.9	show, dance, production, new, performance, theater, theater, stage, play, musical, festival, audience, company, music, performances, live, director, arts, actors, York
4	208.8	0.7	see, need, content, sound, capable, html, browser, play, replay, soundplay, video, below, featured, action, shift, hologram, turning, stage, test, multi, dobot
5	103.6	0.4	sugar, maple, syrup, lil, sap, hickory, babs, jamb, taps, icard, clayton, tapping, boil, lif, codejournals, evaporator, pan, sugaring, carvey, trucker
6	261.7	0.9	www, http, com, facebook, website, please, here, visit, check, youtube, https, more, link, page, out, information, twitter, video, org, follow
7	226.3	0.8	car, vehicle, bike, ride, road, cars, truck, driving, drive, wheel bus, trailer, drivers, vehicles, wheels, driver, bicycle, electric, engine, riding
8	177.3	0.6	color, black, white, red, blue, colors, green, gold, light, yellow orange, crystal, patterns, pixel, silver, pink, bright, pattern, dark, purple
9	101.3	0.4	bill, meal, bnb, yawning, yawn, weinie, tydrus, twit, pressed, booth, babes, penny, cosby, dante, rally, primarily, tip, traditional, rest, and, the, guest
10	133.8	0.5	language, texas, austin, english, word, words, houston, languages, spanish, speak, speaking, dallas, french, german, russian, chinese, greek, translation, native, spoken
11	107.5	0.4	drive, drives, flash, kai, diary, raid, orphans, terma, tardisk, gamification, instincts, refer, landry, minidrive, roboto, iklimt, nifty, xpress, guru, resq
12	101.6	0.4	piper, cliff, oak, alice, clara, morrison, bug, marlene, edrometer, wonderland, vanity, floyd, roanoke, hydrometer, therefore, typically, based, concerns, willbe, indy
13	490.5	1.7	students, school, learn, learning, program, college, student, high, skills, education, class, schools, teach, science, university, classes, technology, teaching, course, experience
14	105.0	0.4	castle, pirate, rails, advice, pirates, ruby, chad, alamo, distiller, spaceup, bocco, composer, cal, pony, vape, smoking, howl, roger, vaping, jolly
15	108.7	0.4	pole, corner, roller, heads, derby, reverse, dice, coaster, totem, apron, rink, moth, eva, tao, hiker, boogie, tellers, hitch, acrobatic, grabber
16	103.3	0.4	dollar, cave, clown, jury, caves, sadie, albert, caverns, kennedy, abbey, kicora, dolls, till, clowns, kigoma, highview, published, rain, grainy, meta
17	102.7	0.4	rob, kite, tony, kites, vikaura, dillon, anita, wyatt, nite, dodge danza, chew, chu, dropship, cokes, chog, castles, corey, sean, dubstep
18	151.6	0.5	animals, animal, bees, honey, bee, horse, birds, wild, species, bear, wildlife, hive, horses, hives, wolf, bird, turtle, fox, lion, elephant
19	102.4	0.4	fat, hammock, booty, alpine, awd, bro, kate, shaking, armenian, burner, naked, natchez, tamales, ubi, split, gut, bros, dizmo, buster, mixcard
20	111.6	0.4	star, circle, wars, stars, massive, dna, trek, rogue, genetic, rendering, magnitude, elemental, saber, lightsaber, kirk, genome, stix, roxy, spawn, stratos
21	124.8	0.4	reality, magic, virtual, experience, gear, head, cardboard, augmented, hands, wrestling free, immersive, halo, viewer, display, headset, oculus, mounted, rift, magician
22	102.9	0.4	microduino, whale, rare, calling, bas, tape, known, metronome, tracklinq, artcar, loneliest, spiri, worlds, andthe, hybrid, glassmen, mcookie, alone, imagine, regularity
23	116.7	0.4	christmas, santa, holiday, gift, gifts, december, season, holidays, barbara, cruz, advent, thanksgiving, ornaments, claus, birthdays, tree, snowflake, valentine, decorations, funeral
24	121.8	0.4	los, angeles, grand, michigan, artprize, rapids, prize, entry, kevin, dia, muertos, hollywood, nov, beysicair, riot, california, monica, padlock, winner, airbnb
25	425.9	1.5	history, travel, american, world, states, country, trip, state, tour, united, national, america, traveling, north, south, west, along, places, journey, through
26	105.4	0.4	hawaii, hoop, hawaiian, hula, oyster, aloha, hoops, maui, sonoma, oysters, olympia, peep, honolulu, napa, kiki, mahalo, gloving, hooping, melissa, oahu

TABLE A1
(Continued)

Topic ID	Topic loading	Topic weight (%)	20 most representative words for topic
27	195.8	0.7	design, stickers, designs, shirt, shirts, sticker, graphic, vinyl, designer, logo, made, cool, quality, printed, image, available, here, buttons, hands, funding
28	208.1	0.7	studio, space, wood, table, kiln, clay, tools, hand, ceramic, furniture, equipment, work, shop, pieces, building, pottery, ceramics, making, small, handmade
29	108.2	0.4	circus, louis, drag, saint, cape, blake, harmony, meme, paradise, achievements, charles, deaf, cod, safewallet, cage, prom, memes, england, misfits, provincetown
30	130.3	0.5	wall, mural, murals, mosaic, walls, die, tile, tiles, graffiti, mosaics, lexington, wilson, madison, phoenix, bunny, prhbtn, greenville, pride, carlos, completed
31	103.7	0.4	wish, wishes, wishing, shall, granted, modi, smelt, fresco, friends, sponsors, difficult, thistle, pcs, noted, fringeal, yappy, suggested, through, sigil, varying, joel
32	740.7	2.6	kickstarter, goal, project, more, new, campaign, support, stretch, pledge, rewards thank, backers, first, reward, please, out, now, add, receive, here
33	1124.4	4.0	app, users, information, use, data, web, software, social, user, create, application, mobile, website, time, more, site, online, platform, development, media
34	143.5	0.5	film, movie, animation, movies, films, screen, short, digital, raw, animated, projector, patch, dvd, television, documentary, cinema, independent, projection, animations, feature
35	232.1	0.8	sculpture, sculptures, piece, made, cast, metal, bronze, figure, model, mol,d pieces, process, create, casting, figures, resin, clay, size, models, finished
36	1091.8	3.8	years, time, one, over, now, first, out, started, year, many, back, last, two, ago, few, work, found, new, very, decided
37	169.4	0.6	fans, comic, character, characters, fan, convention, super, comics, con, hero favorite, heroes, conventions, anime, epic, cosplay, amazing, disney, geek, action
38	209.0	0.7	children, kids, child, parents, family, fun, adults, baby, families, play, young, age, toys, parent, ages, safe, kid, adult, toy, mom
39	106.4	0.4	joe, bob, volume, collecting, frank, spokane, shit, djoes, tinker, carded, yearbook, ran, enter, removing, triangle, stinky, cal, viewed, pct, restore
40	106.7	0.4	spark, sam, haiti, octopus, des, secrets, odin, les, frantone, haitian, est, loki, aurora, bac, pierre, happily, qui, moines, mon, pour
41	106.5	0.4	tim, soap, mama, duck, mojo, chain, mouth, louisiana, domino, reaction, rouge, baton, builder, tempi, soaps, armor, sasha, decoy, decoys
42	101.7	0.4	dan, pearl, donkey, minnie, cannon, kernes, noted, thermodo, inge, down, ash, center, hidden, worm, tothe, sneak, willbe, dthulhu, advance, name
43	1868.9	6.6	want, people, make, out, more, one, help, know, time, need, way, see, even, something, love, things, don, really, world, much
44	102.6	0.4	wake, bed, mart, clock, clocks, token, morning, sparx, wak, alarm, leela, atlantis, quest, ramos, apng, mal, sharpening, wal, kathak, sharpener
45	101.5	0.4	brad, griffin, jimmy, desq, anderson, sabine, syndicate, ben, voicixx, ryan, mick, persons, syracuse, diller, put, inthe, meet, hart, ubi, seeking
46	257.7	0.9	book, books, pages, reading, coloring, writing, library, poetry, page, read, cover, published, write, story, written, letters, little, free, stories, magazine
47	242.9	0.9	space, flight, drone, fly, earth, flying, launch, aerial, aircraft, weather, system, moon, mission, pilot, rocket, air, balloon, ground, drones, plane
48	142.0	0.5	secure, security, key, private, privacy, mail, blind, protect, password, encryption, lock, storage, keys, passwords, safe, stolen, encrypted, wallet, protected, theft
49	952.0	3.3	design, use, product, designed, high, prototype, printer, made, one, using, parts, quality, used, more, machine, printing, make, production, out, easy
50	136.6	0.5	war, military, veterans, veteran, gun, army, battle, combat, service, disabled, soldiers, memorial, fight, served, duty, honor, soldier, men, force, guns
51	163.3	0.6	home, house, room, door, open, garage, office, doors, window, rooms, homes, apartment, living, zone, houses, windows, stay, bedroom, neighbor, basement
52	197.1	0.7	safety, emergency, law, police, million, safe, situation, lives, non, risk, protect, states, contact, information, dangerous, response, missing, critical, number, department
53	405.0	1.4	man, burning, fire, feet, structure, rock, playa, installation, year, project, tree, inside, foot, out, built, piece, night, art, steel, build
54	111.7	0.4	island, ghost, providence, rhode, figment, treasure, governors, islands, towns, coney, mining, toad, governor, newport, yono, cuba, pioneer, cuban, empty

TABLE A1
(Continued)

Topic ID	Topic loading	Topic weight (%)	20 most representative words for topic
55	114.1	0.4	phase, wind, spin, turbine, radiation, spinning, array, phases, neo, nuclear, fusion, current, chimes, sweep, fidget, spins, reactor, rotating, marin, turbines
56	104.3	0.4	wedding, dino, gnome, floral, gnomes, bouquet, bride, weddings, arrangement, planner, flowers, bouquets, brides, mateo, breaux, charlie, bocam, dinosaurs, groom, krishna
57	164.4	0.6	party, now, people, block, page, together, public, fun, very, create, master, eye, life, night, thousands, live, ddp, dance, social, doll
58	608.2	2.1	art, artists, work, artist, show, gallery, arts, space, project, new, public, exhibition, works, installation, exhibit, studio, creative, museum, center, visual
59	571.5	2.0	art, painting, paintings, work, paint, project, create, artist, series, pieces, canvas, piece, oil, artwork, painted, supplies, works, creating, portrait, original
60	106.4	0.4	angel, salon, nail, charm, angels, polish, nails, taos, tibetan, buddhist, thangka, toon, maki, trio, spotted, tibet, klip, lama, paseo, dalai
61	106.0	0.4	richmond, cannabis, billboard, lee, billboards, spa, camino, mary, sofa, lighthouse, linc, marijuana, santiago, emacs, moonlight, tillie, skibike, jfk, spakind, watershot
62	157.6	0.6	beach, sea, fish, water, ocean, boat, lake, fishing, sand, wav,e underwater, pool, waves, ship, floating, swimming, salt, shore, marine, deep
63	136.8	0.5	dead, halloween, zombie, horror, haunted, monster, monsters, zombies, house, candy, maze, october, attraction, blood, dark, pumpkin, haunt, escape, props, apocalypse
64	663.7	2.3	print, prints, each, paper, art, original, one, printed, limited, printing, hand, edition, images, drawing, project, image, quality, color, artwork, digital
65	316.3	1.1	water, air, energy, system, clean, use, heat, temperature, hot, flow, bottle, waste, gas, used, over, bag, cold, trash, environment, tank
66	168.0	0.6	medical, care, health, cancer, mental, hospital, patients, disease, patient, recovery, doctors, illness, healthcare, doctor, treatment, research, therapy, hospitals, help, diagnosed
67	332.1	1.2	light, power, battery, led, charge, solar, lights, usb, charging, energy, lighting, batteries, charger, sun, portable, powered, panel, hours, night, high
68	893.8	3.1	phone, device, use, smart, devices, app, control, technology, iphone, smartphone, one, time, mobile, bluetooth, easy, more, using, android, even, without
69	185.5	0.7	team, robot, competition, first, robotics, build, robots, teams, maker, year, engineering, compete, challenge, award, lego, winning, world, competitions, design, awards
70	196.2	0.7	game, games, play, sports, gaming, playing, ball, players, video, golf, team, player, football, swing, field, course, sport, baseball, fans, level
71	105.3	0.4	detroit, michigan, ann, arbor, metro, hug, loveland, hugs, jerry, train, pasty, chimera, consulting, legally, corktown, hugging, plymouth, detroits, detroiters, quarters
72	110.8	0.4	interview, tom, empire, holmes, effort, deviantart, old, installment, tsr, lost, efforts, cubit, brand, turned, discussion, destroyed, dedicated, throne, ongoing, in the
73	857.1	3.0	project, through, each, world, experience, create, human, between, form, one, life, process, new, nature, work, way, time, different, within, piece
74	105.8	0.4	puppet, puppets, shadow, chapel, puppetry, puppeteers, smith, marionettes, sunscreen, marionette solarfun, farts, fart, sundikator, bringrr, contractor, sunclipse, puppeteer, twisted, twists
75	113.8	0.4	ice, snow, cream, buddy, melting, frozen, candy, pint, chair, bucket, puck, winter, blower, scoop, midnight, penguin, carl, shave, cone, shanty
76	103.0	0.4	bell, emoji, radar, sentry, weighitz, emojis, probe, cocoa, cyndr, shoka, gnustep, redneck, darling, jingle, onyxx, emojify, fetch, openstep, anything, slngr
77	132.9	0.5	fashion, hair, clothing, style, shoes, wear, suit, clothes, mirror, dress, skull, wearing, pair, jacket, makeup, shoe, vest, skulls, gloves, ladies
78	101.7	0.4	tan, sukkah, num, tanning, enhancement, troll, fluorescent, soapbox, fluorovu, luna, stl, trolls, currency, sukkot, blocklets, spectre, fluorescence, andor, cleanliness, ejecting
79	127.0	0.4	dream, dreams, family, john, friends, memories, mother, life, memory, reality, loved, dreaming, mom, true, jackie, lucid, father, tulsa, wife, fred

TABLE A1
(Continued)

Topic ID	Topic loading	Topic weight (%)	20 most representative words for topic
80	167.5	0.6	political, issues, vote, america, american, cube, king, rights, government, president, country, public, bill, freedom, trump, voting, liberty, politics, revolution, united
81	151.3	0.5	dog, pet, beer, cat, dogs, cats, pets, craft, brewing, owners, collar, lovers, animal, brewery, brew, tap, shelters, animals, rescue, kitty
82	115.3	0.4	stone, jewelry, vegas, las, stones, bracelet, stepping, necklace, beads, buddha, bead, rocks, bracelets, susan, pendant, necklaces, precious, gem, grind, earrings
83	117.5	0.4	glass, glasses, coin, window, echo, torch, coins, broken, stained, windows, blowing, jar, blown, ora, protector, jellyfish, ark, quarters, pennies, penny
84	705.6	2.5	food, restaurant, coffee, local, kitchen, business, open, bar, menu, family, fresh, great, place, location, cooking, experience, ingredients, best, new, restaurants
85	113.9	0.4	tea, flag, rose, bubble, flags, que, del, puerto, rico, roses para, bubbles, una, los, por, con, ser, como, proyecto, arte
86	113.9	0.4	hop, hip, japanese, japan, wings, buffalo, wayne, wing, tokyo, rap rosa, sake, calypso, break, zing, zen, villa, jar, chris, Adrian
87	629.7	2.2	city, event, new, community, local, area, events, year, public, street, san, park, space, building, day, festival, place, york, neighborhood, more
88	101.3	0.4	eric, justin, clapton, fargo, babes, prove, forthe, tread, tear, grow, inthe, bath, hand, each, buying, bonfire, greatest, incorporate, detaileric, familiar
89	580.7	2.0	business, company, products, product, market, website, sell, price, items, marketing, store, industry, online, companies, service, small, customers, job, sales, local
90	135.1	0.5	box, machine, boxes, fabric, hat, fiber, sewing, silk, hand, cotton, yarn, puzzle, quilt, textile, hats, weaving, thread, fabrics, dye, machines
91	108.1	0.4	mike, skate, daniel, skateboard, skateboarding, jeff, skating, ramp, skateboards, skaters, skatepark, kamp, ramps, payne, flute, skateboarders, shred, skater, diamonds, revolve
92	329.8	1.2	music, sound, audio, quality, play, sounds, speakers, song, hear, speaker, headphones, radio, band, songs, guitar, recording, record, experience, listen, album
93	162.7	0.6	cards, card, deck, calendar, pin, tarot, pins, credit, greeting, decks, enamel, calendars, major, playing, trading, mask, steampunk, masks, arcana, traditional
94	277.7	1.0	video, camera, photos, photo, videos, photography, capture, view, take, picture, pictures, cameras, image, images, lens, shot, see, professional, mount, quality
95	509.7	1.8	food, farm, garden, grow, produce, local, organic, growing, plants, land, farmers, fresh, healthy, small, plant, sustainable, grown, community, year, more
96	301.2	1.1	body, sleep, health, fitness, day, training, heart, brain, help, daily, time, activity, more, fit, exercise, stress, rate, workout, physical, track
97	1030.9	3.6	help, project, need, funds, money, make, costs, goal, funding, raise, cost, more, support, time, kickstarter, thank, equipment, pay, work, toward
98	101.8	0.4	maya, jade, starship, flo, congress, era, salta, ican, chop, iami, handed, roanoke, lefty, pon, liela, alexi, manual, burial, reverb, charter
99	468.0	1.6	life, story, women, love, stories, world, through, people, woman, god, lives, one, heart, men, hope, those, peace, girls, tell, journey
100	119.1	0.4	watch, apple, tag, leather, band, tags, watches, crown, wrist, click, pebble, smartwatch, bands, classic, helix, stir, luxury, reserve, timepiece, swiss

Notes: The first column shows the topic ID, the second column the sum of per-topic loadings (proxy for topic importance), the third column shows the average topic share across all crowdfunding narratives, and the subsequent column contains the 20 words with the highest conditional probabilities for the topic. In other words, there exists a high likelihood that the topic manifests itself through one of these words. Additional statistics about the loadings at the level of individual words can be provided upon request.

TABLE A2
Words with High Representativeness for Multiple Topics

Word	Cooccurrence pattern 1	Cooccurrence pattern 2	Cooccurrence pattern 3
Community	Community, help, people, support, through, create, provide, local, world, project, creative (#2)	City, event, new, local, area, events, year, public, street (#87)	Food, farm, garden, grow, produce, local, organic, growing, plants, land (#95)
Make	Want, people, out, more, one, help, know, time, need (#43)	Design, use, product, designed, high, prototype, printer, made, one, using (#49)	Help, project, need, funds, money, costs, goal, funding, raise (#97)
Product	Design, use, product, designed, high, prototype, printer, made, one, using (#49)	Business, company, products, product, market, website, sell, price, items, marketing (#89)	—
Show	Dance, production, new, performance, theater, theater, stage, play, musical (#3)	Art, artists, work, artist, show, gallery, arts, space, project, new (#58)	—
Help	Community, people, support, through, create, provide, local, world, project (#2)	Medical, care, health, cancer, mental, hospital, patients, disease, patient, recovery (#66)	Body, sleep, health, fitness, day, training, heart, brain, help, daily (#96)
World	Community, help, people, support, through, create, provide, local, project, creative (#2)	History, travel, american, states, country, trip, state, tour, united (#25)	Life, story, women, love, stories, through, people, woman, god (#99)

Notes: The table presents exemplary words that play a central role in more than one topic. The given word and the presented words in each of the subsequent columns together represent the 10 words that have the highest probability of representing the topic whose ID is provided in brackets.

APPENDIX B

SUPPLEMENTAL INFORMATION ABOUT MEASUREMENT OF CONTRIBUTION CLAIMS

TABLE B1
Word List for Contribution Claims

Definition	Word List	Interrater agreement
Claims that "reflect the contribution the venture will make to the community and how it will provide value to the members of that community" (Fisher et al., 2017: 59)	Community, citizen, collective, commonality, communal, connection, coop, cooperative, cooperative, copartnership, family, harmony, relationship, society, solidarity, companionship, comradeship, connectedness, friendliness, friendship, rapport, sympathy, togetherness, unity, neighborhood, shared, togetherness, unitedness, ethical, fair, integrity, justice, moral, morality, morals, principled, principles, virtuous, belong, beneficiary, caring, duty, empower, equality, humanity, humankind, inspire, love, peers, respect, responsibility, socially, together, trust, welfare, wellbeing, well-being	0.84

Notes: The interrater agreement reflects the theoretical validation of the measurement instrument (McKenny, Aguinis, Short, & Anglin, 2018). Short et al.'s (2010) commonly followed procedure suggests dictionary validation through expert raters that are knowledgeable about the methodological requirements of computer-aided text analysis (CATA) dictionaries and experts in the theoretical domain of interest. We selected three scholars that are experienced in CATA and have previously published on crowdfunding or entrepreneurial stories. We approached these scholars via e-mail and asked them to decide for each keyword whether it would be representative of the construct if presented in a crowdfunding pitch. We subsequently calculated the expert raters' interrater reliability. We used Holsti's (1969) coefficient of reliability, as suggested by Short et al. (2010). A coefficient value above 0.75 suggests high reliability (Ellis, 1994). The three experts showed an interrater reliability of 0.84, and we thus consider our instrument as internally valid and reliable. Based on the experts' feedback we eliminated seven keywords on which two or more raters disagreed, and added three additionally suggested keywords. The table represents the final word list.

TABLE B2
Excerpts of Crowdfunding Narratives with Many Contribution Claims

Excerpt
"With [name], we want to create a community for parents and families to feel comfortable, connected, safe, and confident. We want to offer the support you need by providing a space to meet new friends and visit with old, creating a center to offer co-working hours and maintaining a safe space for various support groups to meet. [. . .] The concept of [. . .] was birthed by two Portland women passionate about building community. Fiddlehead Play Collective will work hard to provide a safe space for all families by maintaining a clean, natural play space."
"The [name] is promoting creativity, kindness & compassion through free art workshops for kids of all ages, all in the spirit of community collaboration along the way. [. . .] Since the beginning of my art career, directing & participating in major public art projects has provided me a vehicle to bring more joy and beauty to thousands of people across the World. [. . .] This is a FREE, COMMUNITY ART PROGRAM guided by [names] who want to inspire people to treat each other the way that they themselves would like to be treated."
"The [name] began with a dream I awoke from which mandated me to 'make a list of people and animals you know that radiate love and joy.' I immediately jotted down over 70 names, and this was just here in my own tiny community on [place]. [. . .] It occurred to me that I really wanted to share this upliftment with as many people as possible, and to make the project larger than just "my" art. I conceived of the 'Community Wall of Love,' which will involve 80 people in taking their own photos of loved ones 'caught in the act of radiating love and joy.'"
"I am producing a new musical that deals with the subject of mental illness and how it affects people's lives in order to raise awareness and help to defeat stigmas associated with mental illnesses. My personal goal is to create more musical theatre for social justice—that is, musical theatre that raises awareness of social issues and hopefully inspires people to go out into the world and affect change. Even if it is as small as one's mindset being changed toward a group of people for the better. With that said, I begin here—with a show that discusses mental illness—because I and so many of my loved ones are sufferers of mental illness, and the stigmas associated with it can truly cripple an individual."

APPENDIX C

SUPPLEMENTAL MODELS

TABLE C1
Regression Results for Dependent Variable of Funding

	Model 1		Model 2		Model 3	
Funding	**β**	***P***	**β**	***p***	**β**	***P***
Launch rank	−0.02	0.920	−0.05	0.806	0.03	0.874
Funding goal	0.04***	0.000	0.04***	0.000	0.04***	0.000
Duration	−0.01***	0.000	−0.01***	0.000	−0.01***	0.000
Reward levels	0.14***	0.000	0.13***	0.000	0.14***	0.000
Staff pick	1.27***	0.000	1.26***	0.000	1.27***	0.000
Length	0.36***	0.000	0.36***	0.000	0.36***	0.000
Video	Included		Included		Included	
Projects created	−0.02**	0.002	−0.02**	0.002	−0.02**	0.005
Projects backed	0.01***	0.000	0.01***	0.000	0.01***	0.000
Creator team	0.20***	0.000	0.20***	0.000	0.20***	0.000
Regional income	0.11***	0.000	0.11***	0.000	0.11***	0.000
Local artistic culture	2.13***	0.000	2.13***	0.000	2.14***	0.000
Food[a]	0.15*	0.015	0.11	0.081	0.20**	0.002
Technology[a]	0.37***	0.000	0.35***	0.000	0.35***	0.000
Theater[a]	0.60***	0.000	0.57***	0.000	0.63***	0.000
Crowding	−0.12***	0.000	−0.12***	0.000	−0.11***	0.000
Manual review = 1	0.82***	0.000	0.80***	0.000	0.84***	0.000
Kickstarter age	0.17***	0.000	0.17***	0.000	0.16***	0.000
Month dummies	Included		Included		Included	
Category coverage	−0.05***	0.000	−0.05***	0.000	−0.24***	0.000
Distinctiveness	0.89***	0.000	1.46***	0.000	−0.57	0.051
Contribution claims	0.08***	0.000	0.29***	0.000	0.08***	0.000
Distinctiveness × contribution claims			−0.28***	0.000		
Distinctiveness × category coverage					0.26***	0.000
Constant	1.46***	0.000	1.08***	0.000	2.42***	0.000
R^2	0.500		0.501		0.501	
P	0.000		0.000		0.000	

[a] In comparison to *Art* (baseline).
* $p < 0.05$
** $p < 0.01$
*** $p < 0.001$

TABLE C2
Regression Model 2 with Alternative Operationalization of Distinctiveness

	Model 2 (*Distinctiveness* vis-à-vis market category prototype; as presented in main models)		**Model 2 (*Distinctiveness* vis-à-vis crowdfunding prototype)**		**Model 2 (*Distinctiveness* vis-à-vis basic category prototype)**		**Model 2 (*Distinctiveness* vis-à-vis market category prototype in respective quarter)**		**Model 2 (*Distinctiveness* vis-à-vis market category prototype in respective year)**	
Backers	**β**	***p***	**β**	***p***	**β**	***p***	**β**	***p***	**β**	***p***
Launch rank	−0.09	0.400	−0.12	0.264	−0.08	0.478	−0.08	0.443	−0.08	0.460
Funding goal	−0.01	0.122	−0.01*	0.034	−0.01	0.111	−0.01	0.112	−0.01	0.117
Duration	−0.00***	0.000	−0.00***	0.000	−0.00***	0.000	−0.00***	0.000	−0.00***	0.000
Reward levels	0.08***	0.000	0.08***	0.000	0.08***	0.000	0.08***	0.000	0.08***	0.000
Staff pick	0.93***	0.000	0.94***	0.000	0.93***	0.000	0.94***	0.000	0.93***	0.000
Length	0.19***	0.000	0.15***	0.000	0.18***	0.000	0.19***	0.000	0.19***	0.000
Video	Included		Included		Included		Included		Included	
Projects created	−0.02***	0.000	−0.02***	0.000	−0.02***	0.000	−0.02***	0.000	−0.02***	0.000
Projects backed	0.03***	0.000	0.03***	0.000	0.03***	0.000	0.03***	0.000	0.03***	0.000
Creator team	0.12***	0.000	0.11***	0.000	0.12***	0.000	0.12***	0.000	0.12***	0.000
Regional income	0.06***	0.000	0.06***	0.000	0.06***	0.000	0.06***	0.000	0.06***	0.000
Local artistic culture	1.23***	0.000	1.22***	0.000	1.24***	0.000	1.23***	0.000	1.23***	0.000
Food[a]	0.06	0.062	−0.03	0.278	0.06*	0.049	0.06*	0.047	0.06	0.072
Technology[a]	0.17***	0.000	0.13***	0.000	0.14***	0.000	0.18***	0.000	0.17***	0.000
Theater[a]	0.23***	0.000	0.17***	0.000	0.28***	0.000	0.23***	0.000	0.23***	0.000
Crowding	−0.02	0.079	−0.02*	0.043	−0.01	0.149	−0.02*	0.013	−0.02*	0.043
Manual review = 1	0.36***	0.000	0.33***	0.000	0.37***	0.000	0.37***	0.000	0.37***	0.000
Kickstarter age	0.10***	0.000	0.10***	0.000	0.10***	0.000	0.09***	0.000	0.10***	0.000
Month dummies	Included		Included		Included		Included		Included	
Category coverage	−0.03***	0.000	−0.03***	0.000	−0.03***	0.000	−0.03***	0.000	−0.03***	0.000
Distinctiveness	0.59***	0.000	1.32***	0.000	0.81***	0.000	0.53***	0.000	0.54***	0.000
Contribution claims	0.11***	0.000	0.10***	0.000	0.12***	0.000	0.10***	0.000	0.11***	0.000
Distinctiveness × contribution claims	**−0.09*** **	**0.000**	**−0.07** **	**0.001**	**−0.09*** **	**0.000**	**−0.07*** **	**0.000**	**−0.08*** **	**0.000**
Constant	0.03	0.826	−0.52***	0.000	−0.18	0.205	0.10	0.476	0.07	0.607
R^2	0.613		0.616		0.614		0.614		0.613	
P	0.000		0.000		0.000		0.000		0.000	

Note: Models differ only in the operationalization of *Distinctiveness*.

[a] In comparison to *Art* (baseline).

* $p < 0.05$

** $p < 0.01$

*** $p < 0.001$

TABLE C3
Regression Models with Alternative Topic Modeling Parameter (50 topics) for Backers

Backers	Model 1		Model 2		Model 3	
	β	*p*	β	*p*	β	*p*
Launch rank	−0.08	0.462	−0.09	0.403	−0.06	0.578
Funding goal	−0.01	0.107	−0.01	0.115	−0.01	0.118
Duration	−0.00***	0.000	−0.00***	0.000	−0.00***	0.000
Reward levels	0.08***	0.000	0.08***	0.000	0.08***	0.000
Staff pick	0.93***	0.000	0.93***	0.000	0.93***	0.000
Length	0.19***	0.000	0.19***	0.000	0.19***	0.000
Video	Included		Included		Included	
Projects created	−0.02***	0.000	−0.02***	0.000	−0.02***	0.000
Projects backed	0.03***	0.000	0.03***	0.000	0.03***	0.000
Creator team	0.12***	0.000	0.12***	0.000	0.12***	0.000
Regional income	0.06***	0.000	0.06***	0.000	0.06***	0.000
Local artistic culture	1.22***	0.000	1.22***	0.000	1.22***	0.000
Food[a]	0.07*	0.020	0.06	0.056	0.09**	0.007
Technology[a]	0.18***	0.000	0.18***	0.000	0.17***	0.000
Theater[a]	0.22***	0.000	0.22***	0.000	0.23***	0.000
Crowding	−0.02	0.073	−0.02	0.071	−0.01	0.160
Manual review = 1	0.37***	0.000	0.36***	0.000	0.37***	0.000
Kickstarter age	0.10***	0.000	0.10***	0.000	0.09***	0.000
Month dummies	Included		Included		Included	
Category coverage	−0.03***	0.000	−0.03***	0.000	−0.09***	0.000
Distinctiveness	0.30***	0.000	0.44***	0.000	−0.09	0.486
Contribution claims	0.05***	0.000	0.10***	0.000	0.05***	0.000
Distinctiveness × contribution claims			−0.07***	0.000		
Distinctiveness × category coverage					0.07***	0.001
Constant	0.20	0.134	0.10	0.451	0.49**	0.002
R^2	0.613		0.613		0.613	
P	0.000		0.000		0.000	

Note: Models differ from main models in their operationalization of topics (50 topics instead of 100) and the resulting *Distinctiveness* measure.

[a] In comparison to *Art* (baseline).

* $p < 0.05$

** $p < 0.01$

*** $p < 0.001$

TABLE C4
Regression Models with Alternative Topic Modeling Parameter (200 Topics) for Backers

Backers	Model 1		Model 2		Model 3	
	β	*p*	β	*p*	β	*p*
Launch rank	−0.06	0.589	−0.06	0.558	−0.03	0.794
Funding goal	−0.01	0.128	−0.01	0.134	−0.01	0.143
Duration	−0.00***	0.000	−0.00***	0.000	−0.00***	0.000
Reward levels	0.08***	0.000	0.08***	0.000	0.08***	0.000
Staff pick	0.93***	0.000	0.93***	0.000	0.94***	0.000
Length	0.19***	0.000	0.19***	0.000	0.19***	0.000
Video	Included		Included		Included	
Projects created	−0.02***	0.000	−0.02***	0.000	−0.01***	0.001
Projects backed	0.03***	0.000	0.03***	0.000	0.03***	0.000
Creator team	0.12***	0.000	0.12***	0.000	0.12***	0.000
Regional income	0.06***	0.000	0.06***	0.000	0.06***	0.000
Local artistic culture	1.22***	0.000	1.23***	0.000	1.22***	0.000
Food[a]	0.07*	0.024	0.06*	0.048	0.10**	0.002
Technology[a]	0.15***	0.000	0.15***	0.000	0.15***	0.000
Theater[a]	0.24***	0.000	0.23***	0.000	0.26***	0.000
Crowding	−0.01	0.130	−0.01	0.127	−0.01	0.255
Manual review = 1	0.38***	0.000	0.38***	0.000	0.39***	0.000
Kickstarter age	0.09***	0.000	0.09***	0.000	0.09***	0.000
Month dummies	Included		Included		Included	
Category coverage	−0.03***	0.000	−0.03***	0.000	−0.09***	0.000
Distinctiveness	0.48***	0.000	0.70***	0.000	−0.46*	0.014
Contribution claims	0.05***	0.000	0.08***	0.000	0.05***	0.000
Distinctiveness × contribution claims			−0.10***	0.000		
Distinctiveness × category coverage					0.17***	0.000
Constant	0.24	0.073	0.17	0.215	0.57***	0.000
R^2	0.612		0.613		0.612	
P	0.000		0.000		0.000	

Note: Models differ from main models in their operationalization of topics (200 topics instead of 100) and the resulting *Distinctiveness* measure.

[a] In comparison to *Art* (baseline).

* $p < 0.05$
** $p < 0.01$
*** $p < 0.001$

TABLE C5
Regression Model 3 with Binary Operationalization of Category Coverage

Backers	Model 3 (Category coverage = 1 if > 0 news articles)		Model 3 (Category coverage = 1 if > 10 news articles)		Model 3 (Category coverage = 1 if > 50 news articles)		Model 3 (Category coverage = 1 if > 100 news articles)		Model 3 Category coverage = 1 if > 200 news articles)	
	β	*p*	β	*p*	β	*p*	β	*P*	β	*p*
Launch rank	−0.08	0.455	−0.16	0.153	−0.15	0.176	−0.08	0.441	−0.07	0.504
Funding goal(ln)	−0.01	0.098	−0.01	0.052	−0.01*	0.049	−0.01	0.147	−0.01	0.110
Duration	−0.00***	0.000	−0.00***	0.000	−0.00***	0.000	−0.00***	0.000	−0.00***	0.000
Reward levels	0.08***	0.000	0.08***	0.000	0.08***	0.000	0.08***	0.000	0.08***	0.000
Staff pick	0.93***	0.000	0.93***	0.000	0.93***	0.000	0.94***	0.000	0.94***	0.000
Length	0.19***	0.000	0.19***	0.000	0.19***	0.000	0.19***	0.000	0.19***	0.000
Video	Included		Included		Included		Included		Included	
Projects created by creator	−0.02***	0.000	−0.01***	0.001	−0.02***	0.000	−0.02***	0.000	−0.02***	0.000
Projects backed by creator	0.03***	0.000	0.03***	0.000	0.03***	0.000	0.03***	0.000	0.03***	0.000
Creator team	0.12***	0.000	0.12***	0.000	0.11***	0.000	0.12***	0.000	0.12***	0.000
Regional income	0.06***	0.000	0.06***	0.000	0.06***	0.000	0.06***	0.000	0.06***	0.000
Local artistic culture	1.22***	0.000	1.21***	0.000	1.23***	0.000	1.21***	0.000	1.21***	0.000
Food[a]	0.09**	0.005	0.22***	0.000	0.20***	0.000	0.09**	0.004	0.11***	0.000
Technology[a]	0.19***	0.000	0.27***	0.000	0.22***	0.000	0.21***	0.000	0.23***	0.000
Theater[a]	0.25***	0.000	0.33***	0.000	0.32***	0.000	0.26***	0.000	0.29***	0.000
Crowding	−0.02	0.066	−0.03***	0.001	−0.04***	0.000	−0.02*	0.013	−0.01	0.092
Manual review = 1	0.37***	0.000	0.34***	0.000	0.36***	0.000	0.35***	0.000	0.37***	0.000
Kickstarter age	0.10***	0.000	0.10***	0.000	0.09***	0.000	0.10***	0.000	0.09***	0.000
Month dummies	Included		Included		Included		Included		Included	
Category coverage	−0.04***	0.000	−0.07***	0.000	−0.12***	0.000	0.01	0.337	0.01	0.432
Distinctiveness	−0.48*	0.045	−0.15	0.379	0.13	0.248	0.10	0.266	0.11	0.200
Contribution claims	0.04***	0.000	0.04***	0.000	0.04***	0.000	0.04***	0.000	0.04***	0.000
Category coverage = 1	−0.58**	0.002	0.01	0.966	0.30**	0.002	−0.56***	0.000	−0.56***	0.000
Distinctiveness × category coverage = 1	0.93***	0.000	0.59**	0.001	0.35**	0.007	0.50***	0.000	0.51***	0.000
Constant	0.75***	0.001	0.47**	0.009	0.57***	0.000	0.31*	0.033	0.26	0.075
Adjusted R^2	0.613		0.614		0.617		0.613		0.612	
P	0.000		0.000		0.000		0.000		0.000	

Note: Models differ from main models in the operationalization of *Category Coverage* (binary).

[a] In comparison to *Art* (baseline).

* $p < 0.05$

** $p < 0.01$

*** $p < 0.001$