

Appendix C

Appendix Tables and Figures

Figure Appendix C.1: Sketch of the Construction of the Preferred Instrument

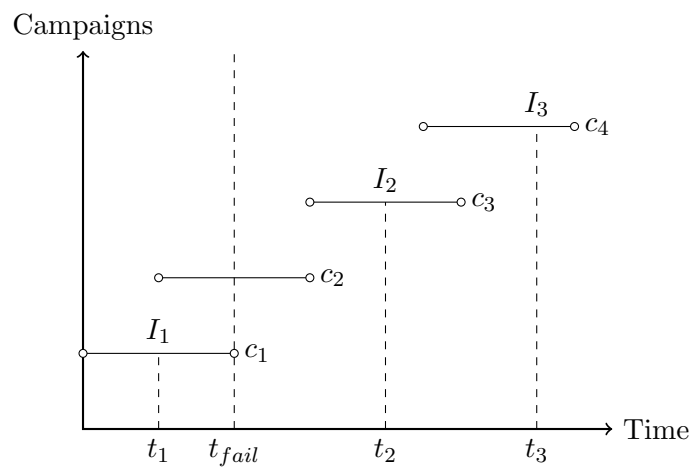


Table Appendix C.1: The Effect of Prior Pledges and the Time Since the Most Recent Pledge: Single Campaign Investors

	<i>Dependent Var: log amount pledged (£)</i>					
	Model	Model Controls I	Model Controls II	Model Controls Full	IV-A	IV-B
Prior pledges						
Log amount pledged (n-1)	0.121*** (0.017)	0.116*** (0.016)	0.115*** (0.017)	0.112*** (0.016)	0.155** (0.054)	0.196** (0.068)
Log amount pledged (n-2)	0.060*** (0.012)	0.056*** (0.012)	0.055*** (0.011)	0.054*** (0.011)	0.418 (0.439)	0.035 (0.051)
Log amount pledged (n-3)	0.033*** (0.010)	0.033*** (0.010)	0.032*** (0.010)	0.031** (0.010)	0.285 (0.295)	0.011 (0.066)
Log amount pledged (n-4)	0.025** (0.010)	0.022** (0.010)	0.022** (0.010)	0.020** (0.010)	-0.459 (0.413)	0.022 (0.046)
Log amount pledged (n-5)	0.031** (0.011)	0.031** (0.011)	0.032** (0.010)	0.031** (0.010)	0.175 (0.417)	-0.059 (0.073)
Log time (hours) since most recent pledge	-0.009 (0.044)	-0.001 (0.044)	0.005 (0.043)	0.017 (0.042)	0.010 (0.152)	-0.021 (0.104)
Controls investor						
Dummy high-net-worth		1.413*** (0.125)	1.411*** (0.125)	1.402*** (0.123)	1.384*** (0.137)	1.392*** (0.127)
Dummy sophisticated		0.519*** (0.101)	0.520*** (0.100)	0.520*** (0.099)	0.487*** (0.120)	0.506*** (0.103)
Controls campaign						
Log total amount funded up to n-1			-0.027 (0.102)	-0.031 (0.102)	-0.119 (0.265)	0.012 (0.124)
Log number of pledges up to n-1			0.093 (0.088)	0.086 (0.096)	0.197 (0.311)	0.094 (0.112)
Share amount left n-1			-0.014 (0.304)	0.006 (0.296)	0.316 (0.414)	0.443 (0.397)
Share amount left n-1 × Days left			0.002 (0.005)	0.002 (0.006)	-0.001 (0.008)	-0.004 (0.007)
Days left in the campaign			-0.004* (0.002)	-0.004* (0.002)	-0.005 (0.003)	-0.005** (0.003)
=1 if goal already reached			-0.127 (0.097)	-0.130 (0.089)	-0.086 (0.097)	-0.088 (0.093)
Standardized Campaign hotness at start of the day				0.041 (0.038)	0.002 (0.070)	-0.015 (0.055)
Dummy campaign hotness intraday rise				0.276*** (0.059)	0.221** (0.080)	0.215** (0.072)
Standardized average campaign hotness rest of campaigns				-0.032 (0.036)	0.005 (0.053)	-0.011 (0.042)
Standardized Google trend index				-0.070* (0.037)	-0.090* (0.046)	-0.087** (0.038)
Standardized FTSE 100 index				0.008 (0.065)	0.054 (0.076)	0.048 (0.074)
Observations	13,203	13,203	13,203	13,203	12,205	12,205
Average pledge (£)	2,772	2,772	2,772	2,772	2,752	2,752
SD pledge (£)	17,494	17,494	17,494	17,494	15,573	15,573
Average time (hours) since most recent pledge	8.6	8.6	8.6	8.6	8.7	8.7
S.D. time (hours) since most recent pledge	31.7	31.7	31.7	31.7	30.1	30.1
Kleibergen and Paap rk statistic					13.45	70.61
Hansen J statistic P-Val					.	0.22
Campaign FE	Yes	Yes	Yes	Yes	Yes	Yes

*** 1 percent ** 5 percent * 10 percent

Notes: Robust standard errors, clustered by campaign. Single Campaign Investors. Each lagged pledge in the IV setting (A) is instrumented using the inverse hyperbolic sine transformation (IHS) of the amount of money returned to the backer if the last campaign she supported failed. Each lagged pledge in the IV setting (B) has two instruments: (i) total number of pledges made by the investor in all campaigns interacted with the anonymous indicator; and (ii) the largest single amount pledged by the investor in previous campaigns interacted with the anonymous indicator. The time since the most recent pledge is instrumented in (A) and (B) with the (log) absolute value of the difference in hours between the hour in the day in which the previous pledge is made and 11am. See Section 7 for a detailed description.

Table Appendix C.2: Correlation Between Adjacent Values of the Pre-Determined Instruments

	<i>Dependent Var:</i>		
	IHS Amount Returned	Number of Pledges × Anonymous	Max Amount Invested × Anonymous
Inst. A			
IHS amount returned (n-1)	0.012 (0.008)		
IHS amount returned (n-2)	0.013 (0.009)		
IHS amount returned (n-3)	0.010 (0.007)		
IHS amount returned (n-4)	0.015 (0.010)		
IHS amount returned (n-5)	0.001 (0.006)		
Inst. B1			
Number of pledges (n-1) × Anonymous (n-1)		0.001 (0.006)	
Number of pledges (n-2) × Anonymous (n-2)		-0.014 (0.011)	
Number of pledges (n-3) × Anonymous (n-3)		-0.005 (0.006)	
Number of pledges (n-4) × Anonymous (n-4)		-0.004 (0.006)	
Number of pledges (n-5) × Anonymous (n-5)		-0.014 (0.012)	
Inst. B2			
Max amount invested (n-1) × Anonymous (n-1)			-0.006 (0.008)
Max amount invested (n-2) × Anonymous (n-2)			-0.016 (0.013)
Max amount invested (n-3) × Anonymous (n-3)			-0.003 (0.009)
Max amount invested (n-4) × Anonymous (n-4)			-0.001 (0.010)
Max amount invested (n-5) × Anonymous (n-5)			-0.016 (0.011)
Observations	55,052	55,052	55,052
Full Set Controls	Yes	Yes	Yes
Campaign FE	Yes	Yes	Yes

*** 1 percent ** 5 percent * 10 percent

Notes: Robust standard errors, clustered by campaign. The full set of controls from Table 4 are included but not reported.

Table Appendix C.3: Correlation Between Self-Reported Types of Adjacent Investors

	Self Reported Investor Type Dummy		
	Authorized	High-net-worth	Sophisticated
Authorized			
Dummy authorized n-1	-0.002 (0.005)		
Dummy authorized n-2	0.007 (0.005)		
Dummy authorized n-3	-0.002 (0.004)		
Dummy authorized n-4	0.006 (0.005)		
Dummy authorized n-5	0.003 (0.005)		
High-net-worth			
Dummy high-net-worth n-1		-0.006 (0.005)	
Dummy high-net-worth n-2		0.010 (0.008)	
Dummy high-net-worth n-3		-0.010 (0.007)	
Dummy high-net-worth n-4		0.004 (0.005)	
Dummy high-net-worth n-5		0.001 (0.005)	
Sophisticated			
Dummy sophisticated n-1			-0.006 (0.005)
Dummy sophisticated n-2			-0.002 (0.005)
Dummy sophisticated n-3			0.000 (0.005)
Dummy sophisticated n-4			0.004 (0.005)
Dummy sophisticated n-5			-0.003 (0.005)
Observations	55,052	55,052	55,052
Campaign FE	Yes	Yes	Yes

*** 1 percent ** 5 percent * 10 percent

Notes: Robust standard errors, clustered by campaign.

Table Appendix C.4: The Effect of Prior Pledges and the Time Since the Most Recent Pledge: First Stages IV-A

	First Stage Regressions					
	$\log I_{n-1,c}$	$\log I_{n-2,c}$	$\log I_{n-3,c}$	$\log I_{n-4,c}$	$\log I_{n-5,c}$	$\log T_{(n,n-1),c}$
IHS amount returned (n-1)	0.068*** (0.007)	-0.002 (0.005)	-0.006 (0.005)	-0.004 (0.004)	-0.004 (0.004)	-0.001 (0.003)
IHS amount returned (n-2)	-0.003 (0.005)	0.069*** (0.008)	-0.000 (0.005)	-0.006 (0.005)	-0.005 (0.004)	-0.004 (0.003)
IHS amount returned (n-3)	0.002 (0.005)	-0.001 (0.005)	0.069*** (0.008)	0.004 (0.005)	-0.006 (0.005)	-0.003 (0.003)
IHS amount returned (n-4)	0.002 (0.005)	0.003 (0.005)	-0.003 (0.005)	0.065*** (0.008)	0.002 (0.005)	-0.003 (0.003)
IHS amount returned (n-5)	-0.004 (0.004)	0.001 (0.005)	0.003 (0.005)	-0.004 (0.005)	0.067*** (0.008)	-0.001 (0.003)
Log hours since midday (n-1)	-0.079*** (0.012)	-0.033** (0.011)	0.003 (0.011)	0.012 (0.011)	0.003 (0.010)	0.254*** (0.011)
Observations	55,052	55,052	55,052	55,052	55,052	55,052
Campaign FE	Yes	Yes	Yes	Yes	Yes	Yes

*** 1 percent ** 5 percent * 10 percent

Notes: Robust standard errors, clustered by campaign. The full set of controls from Table 4 are included but not reported. Each lagged pledge in the IV setting is instrumented using the inverse hyperbolic sine transformation (IHS) of the amount of money returned to the backer if the last campaign she supported failed. The time since the most recent pledge is instrumented with the (log) absolute value of the difference in hours between the hour in the day in which the previous pledge is made and 11am. See Section 7 for a detailed description.

Table Appendix C.5: The Effect of Prior Pledges and the Time Since the Most Recent Pledge: First Stages IV-B

	First Stage Regressions					
	$\log I_{n-1,c}$	$\log I_{n-2,c}$	$\log I_{n-3,c}$	$\log I_{n-4,c}$	$\log I_{n-5,c}$	$\log T_{(n,n-1),c}$
Number of pledges (n-1) \times Anonymous (n-1)	-0.689*** (0.023)	-0.005 (0.022)	-0.015 (0.022)	-0.026 (0.024)	0.018 (0.022)	-0.059*** (0.016)
Number of pledges (n-2) \times Anonymous (n-2)	-0.028 (0.019)	-0.706*** (0.023)	-0.014 (0.022)	-0.017 (0.021)	-0.027 (0.024)	-0.046** (0.016)
Number of pledges (n-3) \times Anonymous (n-3)	-0.047** (0.021)	-0.049** (0.020)	-0.716*** (0.024)	-0.020 (0.022)	-0.015 (0.022)	-0.007 (0.016)
Number of pledges (n-4) \times Anonymous (n-4)	0.001 (0.022)	-0.048** (0.020)	-0.050** (0.020)	-0.726*** (0.024)	-0.027 (0.023)	-0.022 (0.015)
Number of pledges (n-5) \times Anonymous (n-5)	-0.021 (0.023)	-0.013 (0.022)	-0.074*** (0.021)	-0.073*** (0.020)	-0.749*** (0.025)	0.009 (0.017)
Max amount invested (n-1) \times Anonymous (n-1)	0.553*** (0.086)	0.022 (0.020)	0.003 (0.013)	-0.014 (0.013)	-0.020 (0.018)	-0.019 (0.012)
Max amount invested (n-2) \times Anonymous (n-2)	0.016 (0.021)	0.586*** (0.074)	0.052** (0.019)	0.008 (0.014)	-0.006 (0.012)	-0.007 (0.008)
Max amount invested (n-3) \times Anonymous (n-3)	0.020 (0.013)	0.025 (0.019)	0.574*** (0.085)	0.037 (0.023)	0.019 (0.013)	-0.006 (0.009)
Max amount invested (n-4) \times Anonymous (n-4)	-0.010 (0.012)	0.017 (0.013)	0.014 (0.020)	0.576*** (0.077)	0.048** (0.017)	0.003 (0.009)
Max amount invested (n-5) \times Anonymous (n-5)	-0.014 (0.024)	-0.015 (0.013)	0.020* (0.012)	0.014 (0.017)	0.572*** (0.093)	-0.003 (0.009)
Log hours since midday (n-1)	-0.065*** (0.011)	-0.026** (0.010)	0.005 (0.010)	0.014 (0.010)	0.004 (0.010)	0.255*** (0.011)
Observations	55,052	55,052	55,052	55,052	55,052	55,052
Campaign FE	Yes	Yes	Yes	Yes	Yes	Yes

*** 1 percent ** 5 percent * 10 percent

Notes: Robust standard errors, clustered by campaign. The full set of controls from Table 4 are included but not reported. Each lagged pledge has two instruments: (i) total number of pledges made by the investor in all campaigns interacted with the anonymous indicator; and (ii) the largest single amount pledged by the investor in previous campaigns interacted with the anonymous indicator. The time since the most recent pledge is instrumented with the (log) absolute value of the difference in hours between the hour in the day in which the previous pledge is made and 11am. See Section 7 for a detailed description.

Table Appendix C.6: The Effect of Prior Pledges and the Time Since the Most Recent Pledge. Including Regretted Investments

	<i>Dependent Var: log amount pledged (£)</i>					
	Model	Model Controls I	Model Controls II	Model Controls Full	IV A	IV B
Prior pledges						
Log amount pledged (n-1)	0.111*** (0.007)	0.103*** (0.007)	0.103*** (0.007)	0.101*** (0.007)	0.182** (0.081)	0.131*** (0.019)
Log amount pledged (n-2)	0.032*** (0.005)	0.029*** (0.004)	0.030*** (0.004)	0.029*** (0.004)	0.090 (0.086)	0.036** (0.018)
Log amount pledged (n-3)	0.024*** (0.004)	0.022*** (0.004)	0.023*** (0.004)	0.022*** (0.004)	0.075 (0.076)	0.014 (0.019)
Log amount pledged (n-4)	0.014*** (0.004)	0.014*** (0.004)	0.015*** (0.004)	0.014*** (0.004)	0.023 (0.084)	-0.027 (0.026)
Log amount pledged (n-5)	0.021*** (0.004)	0.020*** (0.004)	0.021*** (0.004)	0.020*** (0.004)	0.066 (0.081)	0.025* (0.014)
Log time (hours) since most recent pledge	-0.041** (0.017)	-0.020 (0.016)	-0.016 (0.017)	-0.007 (0.017)	-0.019 (0.041)	-0.052 (0.038)
Controls investor						
Dummy high-net-worth		1.162*** (0.036)	1.162*** (0.036)	1.159*** (0.035)	1.130*** (0.035)	1.148*** (0.035)
Dummy sophisticated		0.463*** (0.036)	0.464*** (0.036)	0.463*** (0.036)	0.440*** (0.038)	0.455*** (0.037)
Dummy recurrent investor		-0.611*** (0.046)	-0.604*** (0.046)	-0.602*** (0.046)	-0.584*** (0.046)	-0.587*** (0.047)
Controls campaign						
Log total amount funded up to n-1			-0.103** (0.037)	-0.100** (0.037)	-0.178*** (0.054)	-0.094** (0.041)
Log number of pledges up to n-1			0.053* (0.028)	0.058* (0.030)	0.170** (0.058)	0.084** (0.038)
Share amount left n-1			-0.081 (0.119)	-0.034 (0.119)	0.192 (0.117)	0.190 (0.141)
Days left in the campaign			-0.003*** (0.001)	-0.003*** (0.001)	-0.002** (0.001)	-0.003*** (0.001)
Share amount left n-1 × Days left			-0.002 (0.002)	-0.002 (0.002)	-0.004** (0.002)	-0.005** (0.002)
=1 if goal already reached			-0.096** (0.031)	-0.095** (0.032)	-0.078** (0.026)	-0.082** (0.033)
Standardized Campaign hotness at start of the day				0.033** (0.014)	0.001 (0.018)	0.007 (0.020)
Dummy campaign hotness intraday rise				0.171*** (0.021)	0.132*** (0.023)	0.144*** (0.026)
Standardized average campaign hotness rest of campaigns				-0.002 (0.011)	0.004 (0.011)	0.004 (0.012)
Standardized Google trend index				-0.020 (0.012)	-0.015 (0.013)	-0.027** (0.013)
Standardized FTSE 100 index				0.001 (0.024)	0.005 (0.021)	0.006 (0.025)
Observations	70,136	70,136	70,136	70,136	64,844	64,844
Average pledge (£)	1,225	1,225	1,225	1,225	1,221	1,221
SD pledge (£)	12,624	12,624	12,624	12,624	12,395	12,395
Average time (hours) since most recent pledge	9.6	9.6	9.6	9.6	9.8	9.8
S.D. time (hours) since most recent pledge	35.2	35.2	35.2	35.2	34.8	34.8
Kleibergen and Paap rk statistic					16.83	206.17
Hansen J statistic P-Val						0.52
Campaign FE	Yes	Yes	Yes	Yes	Yes	Yes

*** 1 percent ** 5 percent * 10 percent

Notes: Robust standard errors, clustered by campaign. Each lagged pledge in the IV setting (A) is instrumented using the inverse hyperbolic sine transformation (IHS) of the amount of money returned to the backer if the last campaign she supported failed. Each lagged pledge in the IV setting (B) has two instruments: (i) total number of pledges made by the investor in all campaigns interacted with the anonymous indicator; and (ii) the largest single amount pledged by the investor in previous campaigns interacted with the anonymous indicator. The time since the most recent pledge is instrumented in (A) and (B) with the (log) absolute value of the difference in hours between the hour in the day in which the previous pledge is made and 11am. See Section 7 for a detailed description.