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Research Article

A model for understanding the impact of trust on funders' investment intention in Crowdfunding

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Abstract

Crowdfunding has become a transformative force in modern finance, offering a viable alternative to traditional fundraising methods by enabling individuals and startups to gather capital from a diverse pool of investors. However, the decentralized and open nature of crowdfunding platforms presents significant challenges, particularly in maintaining trust, which is a critical determinant of funders' investment decisions. Given that crowdfunding investments are often new and inherently risky, there is a growing need to better understand the factors that influence funders' trust and how this trust can be cultivated to encourage investment. This study develops a comprehensive model to assess the impact of trust on funders' investment intentions in crowdfunding. Through a survey-based approach, the research identifies key dimensions that affect trust, including shared values between funders and project owners, situational normality, website familiarity, and perceived ease of use. The results demonstrate that trust significantly enhances funders' perceived usefulness of crowdfunding projects, which in turn increases their investment intentions. Shared values are found to be a particularly strong factor in building trust, while surprisingly, communication between funders and project owners does not have a substantial effect on trust in the crowdfunding context. These findings provide important insights for crowdfunding platforms, highlighting the need to focus on factors such as platform usability and the alignment of values between funders and project owners. By fostering trust through these mechanisms, crowdfunding platforms can enhance funders' confidence and encourage greater investment participation.

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1. Introduction

In recent years, crowdfunding has attracted the attention of many researchers due to its explosive growth and evolving capabilities (Burtch et al., 2013). Crowdfunding has its roots in the broader concept of crowdsourcing, which enlists the services of the crowd to obtain feedback, new ideas, and solutions, aimed at promoting business activities (Lambert and Schwienbacher, 2010). In practice and theory. Crowdfunding is seen as a way to reduce the funding gap in the early stages of new ventures (early-stage gap) (Hemer et al, 2011).

In addition to entrepreneurs and project owners in general, crowdfunding also provides attractive opportunities for funders. Of course, this type of financing also carries important concerns, including the risk of fraud and misleading advertising (Belleflamme et al., 2014). Crowdfunding, as an emerging financing mechanism, is attracting the attention of an increasing number of entrepreneurs and small and medium enterprises. Compared to traditional funding channels, crowdfunding is more convenient for project creators to raise capital. Entrepreneurs just need to show their ideas or plans to the public online rather than prepare complex business plans and rack their brains to persuade investment institutions or banks. Crowdfunding platforms, such as Kickstarter.com, have helped millions of people to realize their dreams and positively influence society (Massolution, 2015).

Like any other financial activity, crowdfunding is risky for funders. According to a poll conducted by the Kickstarter website, the number one reason for funders' lack of financial participation is the lack of trust in the website's projects. Without trust, funders become less financially involved and crowdfunding loses its effectiveness. The success rate of crowdfunding projects on most websites is less than 50% and has been declining in recent years. Based on these statistics, it can be concluded that the intention of funders to participate in crowdfunding projects is decreasing. In the long history of user interaction in the use of technology, especially information technology, the analysis of user behavior has formed one of the main and important branches of research. Though the crowdfunding model overall has achieved remarkable success and has emerged as a viable method of funding new ventures, there has been very little published peer-reviewed work to date on the topic. Larralde and Schwienbacher (2012) offered one of the first descriptions of crowdfunding, which included a brief case study of a French music crowdfunding startup, and there have been subsequent attempts to build a theoretical model of when individuals on the topic, all in working paper form, have tended to focus on the role of backers and investors in crowdfunding. Kuppuswamy and Bayus (2013) examine how Funder support on Kickstarter varies depending on project success and timing. Agrawal et al. (2014) used a market of musicians seeking crowdfunding to understand whether crowdfunding relaxes geographic constraints on fundraising that are typical of venture capital firms. Finally, Burtch et al. (2011) examined how timing and exposure affected 100 pitches for new journalism stories. All these working papers offer valuable contributions, but no work to date has provided a large-scale understanding of the empirical dynamics of crowdfunding across a wide variety of projects, and they have focused on Funders, not on the project founders themselves. In a mediated online environment, such as crowdfunding platforms, an individual’s trust or distrust in the environment consists of trust or distrust in the parties operating on the platform (as a group; here project creators), and trust or distrust in the intermediary (the crowdfunding platform). Recent studies showed that the impact of distrust on an individual’s behavior might exceed that of trust, depending on the specific context. For instance, Ou and Sia (2010) study revealed that distrust in the e-vendor is a better predictor of a person’s buying intention than trust in B2C e-commerce. The crowdfunding literature lacks empirical studies that investigate how different types of trust and distrust affect pledging intention.

Individuals’ perceptions of trust and distrust may depend heavily on feelings of security and safety (or lack thereof) while using a crowdfunding platform. In the literature on institution-based trust, the concept of structural assurance is used to measure a person’s beliefs about applied structural rules, norms, regulations, or other institutional protective mechanisms that are intended to increase the likelihood of successfully performing a business transaction (McKnight et al., 1998; McKnight et al., 2002).

Several studies showed that the general concept of structural assurance positively affects online users’ trust in the business partner (e.g., Bock et al., 2012; Pavlou, 2002; Pavlou and Gefen, 2004; Sha, 2009). Furthermore, McKnight and Choudhury (2006) study provided the first evidence that the general concept of structural assurance might also have a significant negative impact on distrust. Based on these insights, the authors propose a unique set of context-specific institutional mechanisms (perceived platform rules, perceived monitoring, and perceived pledging security) that are hypothesized to positively affect individuals’ trust and negatively affect their distrust of creators and the platform. It will be interesting to investigate the mediation effects of trust and distrust on individuals’ attitudes toward pledging and their pledging intentions.

In crowdfunding, investors' behavior is still an emerging issue that needs to be further analyzed and researched. Distrust is a major deterrent to investing in crowdfunding platforms (Gerber and Hoy, 2016).

In the crowdfunding literature, in recent studies, trust has been recognized as a fundamental and essential determinant of investment intention. However, these studies considered trust as an antecedent and failed to explore the factors that lead to trust building. Moreover, there are conflicting findings that argue that trust does not have a significant effect on investment decisions. Given the conflicting findings and the need for deeper knowledge about the factors that influence the role of trust, it is important to explore more insight into what influences trustworthiness and funders’ investment intention. Trust is the primary antecedent of funders’ Investment intention in crowdfunding, previous studies have identified other influencing factors such as platform design, project type, and funding level. To fill the research gaps mentioned above, this article addresses the following three research questions:

- What are the factors influencing the funders' Investment intention in crowdfunding projects?
- What factors impact the funders' trust in crowdfunding projects?

2. Literature Review

2.1. Crowdfunding

At Crowdfunding draws inspiration from concepts like micro-finance (Morduch, 1999) and crowdsourcing (Poetz and Schreier, 2012), but represents its unique category of fundraising, facilitated by a growing number of internet sites devoted to the topic. As in any emergent field, the popular and academic conceptions of crowdfunding are in a state of evolutionary flux that makes complete definitions arbitrarily limiting. In one of the few published overviews of the topic, Larralde and Schwienbacher (2012) define crowdfunding as "an open call, essentially through the Internet, for the provision of financial resources either in form of donation or in exchange for some form of reward and/or voting rights to support initiatives for specific purposes." However, even this expansive definition potentially leaves out examples that scholars in various fields have labeled "crowdfunding," including internet-based peer-to-peer lending (Lin and Viswanathan, 2013)

In addition to encompassing a wide range of potential projects, and founding goals, crowdfunding also differs from other methods of start-up funding because the relationship between funders and founders varies by context and the nature of the funding effort (Belleflamme et al., 2015).

Macht (2014) examines the value-adding benefits of crowdfunding through a relationship marketing lens and, specifically, commitment-trust theory. The theory rests on the premise that the existence of trust in a relationship creates commitment, cooperation, and a long-term relational exchange (Morgan and Hunt, 1994). The theory was originally developed in the context of offline relationships and predicts that communication, minimization of opportunistic behavior, and shared values determine the level of trust. In the context of crowdfunding, Macht (2014) argues that the value-adding benefits of crowdfunding may go beyond the one-off financial transaction portrayed in most academic papers, as borrowers require some form of activity from Funders, during or even after the fundraising period. For instance, Funders may promote the project among their contacts via social media, or entrepreneurs may ask Funders for feedback. Therefore, if they wish to draw on Funders' resources again in the future, entrepreneurs have to build and maintain long-term, ongoing relationships. Moreover, Macht (2014) reasons how, in the context of online crowdfunding, additional factors will determine the level of trust between borrowers and lenders – namely, security of the website, data privacy, and recommendations of borrowers through trusted parties. Moreover, social capital theory suggests that the social networks in which individuals are embedded can facilitate resource exchange and knowledge sharing through three different routes – namely, the structural dimension of network ties, the relational dimension or trust, and the cognitive dimension of shared narrative (Nahapiet and Ghoshal, 1998). Colombo et al. (2015) find that trust is fundamental to attracting capital and Funders in the early stages of a campaign. In turn, these early contributions are closely associated with the likelihood of a project reaching its target capital, so a head start fully mediates the effect of internal social capital on a campaign's success. Hence, besides personal social contacts, social contacts built within crowdfunding communities may also be a vehicle to attract seed financing (Colombo et al., 2015). This is particularly important as crowdfunding platforms appear to develop progressively into environments rich in social interactions, norms, and behaviors.

Gerber and Hui (2016) conducted a qualitative study showing that the major deterrent for individuals to participate in reward-based crowdfunding lies in their distrust of creators. Prior empirical studies such as Liang et al. (2018) interpreted distrust as a lack of trust and investigated how dyadic trust between an individual and a specific project creator influences a person's pledging intention. However, research revealed that trust and distrust are two different concepts that may exist simultaneously (Kramer, 1999; Lewicki et al., 1998; McKnight and Choudhury, 2006; Sitkin and Roth, 1993).

2.2. Funders' Investment intention and crowdfunding

Determinants of Funders' Investment intentions and crowdfunding performance the success of a crowdfunding project depends entirely on the participation of potential funders: understanding their funding intentions and motivations is a fundamental objective of this research area. Meanwhile, project performance factors can also be considered a good tool for detecting Funders' Investment intentions. Hence, we review the literature on crowdfunding performance and determinants of Funders' Investment intentions.

First, some studies have examined the factors that affect project performance. Burtch et al. (2013) found that duration of funding and degrees of exposure positively affects journalism projects' funding performance. Mollick (2014) pointed out that the founders' networks and underlying project quality are associated with the success of crowdfunding efforts. Colombo et al (2015) found that creators' internal social capital positively affects the number of early Funders of crowdfunding campaigns. Based on social capital theory and similar to the findings of Colombo et al(2015); Zheng et al. (2014) discovered that an entrepreneur's social network has significant positive effects on crowdfunding performance in both China and the U.S. Gerber and Hui (2013) advised project creators to understand and leverage their social networks and online community to achieve project success. Usually, nonprofit projects are significantly more likely to reach their minimum funding goals (Pitschner and Pitschner, 2014).

Second, some scholars examined the factors influencing Funders' Investment intentions. Belleflamme et al (2014) encouraged project creators to build a community that ultimately enjoys additional private benefits from participation to make crowdfunding a viable alternative to investing. Bi et al (2017) found that introduction word counts and "Like" counts of a project directly affect Funders' funding decisions. Kuppuswamy and Bayus (2017) found the degree of a project's goal achievement will influence Funders' funding decisions. Perceived product creativity is positively related to crowdfunding performance, both directly and indirectly, via positive affective reactions of prospective funders (Davis et al, 2017). Allison et al (2015) discovered greater degrees of human interest in language can attract more pro-social investors. Ho et al (2014) proved that perceived value has a significant effect on Funders’ Investment intentions. In addition, based on social exchange and commitment-trust theories, Zhao et al (2017) found that commitment and perceived risk positively affect Funders’ Investment intentions.

Overall, Intention is a state of mind that indicates a commitment to take action in the future. The concept we are looking at in this study is the intention of financial participation to funder reward-based crowdfunding projects.

3. Conceptual model and Hypotheses Development

3.1. Communication

Based on the social exchange theory presented by Homans (1958) communication and trust are the foundation of interaction models between people. Organ and Konovsky(1989) stated If the person’s reward is more than the expense of the interaction, they'll maintain to interact, while if the expense is more, they'll prevent the interaction. In crowdfunding, funders can also exchange the perceived advantages in opposition to the perceived expenses, which impacts their attitude towards crowdfunding projects. Homans (1958) identified that communication and trust are the basis of interaction models among humans, while social exchange theory explains the interaction at the individual level. Blau (1964) developed Homans' social exchange theory from a perspective that focused more on behaviors and interactions between individuals to examine the structure of exchange between individuals and groups as well as between groups.

This research makes use of social exchange theory to explain exchange behaviors among people and groups by considering crowdfunding funders as individuals and new entrepreneur teams as groups, wherein mutual communication, trust and commitment are set up via crowdfunding platforms to assist social exchange behaviors.

According to Griffin (2005), communication is a meaningful process of sharing ideas, opinions, messages, or information. Whilst funders are willing to communicate frequently with entrepreneurs, offer beneficial facts or notify them of unexpected conditions, this results in better trust from funders. In addition, fundraising proposals are typically offered to funders via texts, photos, and movies, and funders can communicate with entrepreneurs thru the question-answer system to enhance their knowledge. If there's obvious and open communication for crowdfunding, then funders' trust might also come to be higher. Also, Zhao et al (2017) showed that the relationship between the funders and the entrepreneurs will lead to more trust. Therefore:

H1: Communication between the funders and the entrepreneurs has a positive impact on the funders’ trust in crowdfunding.

3.2. Shared Value

Shared Value means how much both parties have common beliefs about the importance, appropriateness, or correctness of behaviors, goals, and policies. The research of Zhao et al (2017) showed that the Shared Value between the funders and the entrepreneurs will lead to more trust.

Morgan and Hunt (1994) offered that communication and shared value are two important agents of trust. They also acknowledged that Shared values represent the extent of agreement shared between two parties. Macmillan et al (2005) research showed that shared values lead to higher trust and commitment in nonprofit organizations. In crowdfunding, if the entrepreneur shares the same values with funders, funders’ trust in the entrepreneur will then come to be higher, and the improvement inside an environment of trust will enable each party to make more effort to bolster this relationship, leading to better communication and commitment. Therefore:

H2: Shared Value between funders and entrepreneurs has a significant effect on funders’ trust in crowdfunding.

3.3. Situational normality

Situational normality is an evaluation that the transaction could be an achievement, based totally on how regular or customary the situation seems to be (Baier, 1986). Situational normality makes sure people that everything in the setting is as it ought to be and that a shared understanding of what is happening exists (McKnight et al. 1998). In the context of the Internet, this point of view means that the users of a website, based on their experience with various sites, have formed expectations that their fulfillment will increase their trust. Gefen et al (2003) showed that the situational norm has a positive and significant effect on the trust and perceived ease of use of the funder. Also, Pavlou (2002) showed that inter-organizational trust is a form of institution-based trust, which realize the secure feelings of institutions and structures, and consists of the structural assurance and situational normality of the web. Also, Wang et al. (2015) argued that Situational normality affects funders’ trust. Therefore:

H3: Situational normality in the platform has a positive impact on the funders’ trust in crowdfunding.

H4: Situational normality in the platform has a positive impact on the funder s’ perceived ease of use in crowdfunding.

3.4. Website Familiarity

Familiarity means knowing about what is happening. While trust reduces social complexity for bilateral activities in the future, familiarity with an increased understanding of ongoing events reduces social uncertainty in the present. Gefen (2000) showed familiarity with a website is an antecedent of trust because it provides customers to place their beliefs about the future into a context that clarifies the specifics of what they expect of others. Familiarity was taken from experiences and knowledge based on previous interactions, including the process of buying in an e-commerce transaction. Geffen et al. (2003) showed that familiarity leads to more trust. Also, they argued that familiarity affects the perceived ease of use. Based on

Wang's research familiarity leads to greater trust (Wang et al, 2015). Therefore:
H5: funders' Website familiarity with the crowdfunding platform has a positive impact on their trust.
H6: funders' Website familiarity with the crowdfunding platform has a positive impact on their perceived ease of use.

3.5. Perceived ease of use

Perceived ease of use refers to the level to which someone believes that using a special system might be free from effort (Davis, 1989). Perceived ease of use has both an immediate effect and an indirect effect on adoption intentions via Perceived usefulness; therefore, this construct has effects on both Perceived usefulness and attitudes (Davis, 1993; Venkatesh and Davis, 2000). Perceived ease of use is an indicator of the cognitive effort required to learn and use technology, especially in the field of information technology. If the website is easy to use, the user concludes that not only is the website suitable for his use but also that the entrepreneurs care about the relationship between them. Thus, this factor affects not only the intention of the user but also his perceived trust and usefulness (Gefen et al, 2003). Thaker et al. (2018) have a similar conclusion about the effect of funders' perceived ease of use on their perceived usefulness. Therefore, it is hypothesized that:
H7: The funders' perceived ease of use has a positive impact on the funders' trust in crowdfunding. Therefore:
H8: The funders' perceived ease of use has a positive impact on the perceived usefulness of crowdfunding
H9: The funders' perceived ease of use has a positive impact on the funders' Investment intention in crowdfunding.

3.6. Trust

Trust is a major factor that influences human behavioral intention. Every commercial activity can be related to trust and it is the fundamental principle of every business relationship. Previous research has supported a positive relationship between trust and economic development. Therefore, trust has been found to play an extremely important role in predicting investment behaviors. In prior research, trust has been defined as a subjective belief, a subjective probability, the willingness of an individual to be vulnerably relying on parties other than oneself, or a person's expectation (Whinston and Zhang, 2003).
Previous literature has shown that trust is an important factor that maintains the relationship between the vendor and its consumers. Trust not only can reduce consumers' cognitive risks of online transactions and their uncertainties of complex processes, but it can also increase the consumers' willingness to participate in online activities, and once they build their trust toward the vendor, they will be more likely to maintain a long-term relationship with the vendor (Guiso et al,2009).
As crowdfunding has only emerged in recent years, it can be seen as a new online transaction type for online consumers. Ryu and Kim suggest that the trustworthiness of the fundraiser is an important indicator for investors' evaluation of such a project as it reflects whether the project fundraiser is worth being dependent upon. Previous literature has reported inconsistent findings about the role of trust (Zhao et al, 2017).
People reduce the social complexity they receive through trust and even irrationally ignore the risk of possible future undesirable behaviors on the part of the trustee.
Gaffen's (2000) research findings lead to the conclusion that trust is the most important factor influencing consumers' intentions not only in online shopping but also in any online transaction. In the field of crowdfunding, research by Zhao et al. (2017) and Kang et al. (2016) have concluded the positive effect of trust on funders' financial participation intention. Gefen et al. (2003) also provided evidence of a positive effect of trust on perceived usefulness. One of the sources of trust that is used in cyberspace is institutional trust. In the trust literature, two types of this institutional trust have been discussed under the names of "structural guarantee" and "Situational normality" (Gefen et al, 2003). Therefore:
H10: Funders' trust has a positive impact on their perceived usefulness in crowdfunding.
H11: Funders' trust has a positive impact on funders' Investment intention in crowdfunding.

3.7. Perceived usefulness

Perceived usefulness reflects the extent to which a person might believe that using a particular system, it could enhance his/her job performance (Davis, 1989). Indeed, Perceived usefulness refers to the degree to which a person believes that the use of a particular technology improves his or her performance. Perceived usefulness in the technology acceptance model is considered a direct factor influencing intention. Perceived usefulness in various fields of technology such as e-commerce, messengers, online education, online travel services, and many more have been examined and its positive impact on intention has been confirmed (Adnan et al., 2016). Thaker et al. (2018) also have a similar result regarding the effect of perceived ease of use of funders on their perceived usefulness. Thus, we propose the following hypothesis:
H12: The funders' perceived usefulness has a positive impact on their Funders' Investment intention in crowdfunding.

4. Research Methodology

4.1. *Data collection*

This study was conducted in the form of a questionnaire survey, including field research and network research. The survey was conducted from May 2022 to July 2022. The research questionnaire that was prepared by the researchers included two parts. The first part includes a set of demographic questions in the field of age, gender, education level, and sector. There are eight factors in our research model. Each factor was measured with multiple items. Measures were adapted primarily and whenever possible from previously validated questionnaires.
The items for funders' investment intention and trust were derived from (Zhao et al., 2017) and (Gefen, et al. 2003); respectively Mohr and Spekman(1994) were considered for the items for communication. shared value was obtained from (Young-Ybarra and Wiersema, 1999); and situational norm questionnaire, familiarity, perceived ease of use, and perceived usefulness were adapted from Gefen et al (2003)

and all items were measured using a 5-point Likert scale from 1-” strongly disagree” to 5-” strongly agree” or 1-” very likely” to 5-” very unlikely”.

6. Sample and Procedure

Our questionnaire was created and the survey completion process involved maintaining communication with the respondents. At the beginning of this process, the questionnaire indicated that the survey was for research purposes only. The survey involved a nationwide scale, with120 questionnaires sent and 105 questionnaires returned. After removing invalid questionnaires with obvious regularities, short completion times, and inconsistent answers, 98 valid questionnaires were retained, and the effective response rate reached 93%. Table 1 lists the demographics of the respondents.

Table 1
Demographic profile of respondents (N=98).

Attribute	Category	N	Percentage (%)
Gender	Male	81	83%
	Female	17	17%
Age	20-29	17	17%
	30-39	38	39%
	40-49	26	27%
	50-59	12	12%
	60 and above 60	5	5%
Education	Bachelor degree	48	49%
	Master degree	31	32%
	PhD	19	19%

Before processing the data, it is important to examine the Common Method Variance (CMV). This paper conducted two tests. First, this research uses Harman's one-factor test to assess the potential impact of CMV. The results indicated the largest variance explained by a single factor is 14.623%, which means that common method biases are not a likely contaminant of our results. Second, this research modeled all items as the indicators of a factor representing the method eff ect and re-estimated the model. The results indicate good fit (GoF=0.707).

5. Results

The first evaluates the measurement model, while the second assesses the structural model.

5.1. Measurement model

First, this research adopted the structural equation modeling software Smart PLS to evaluate the measurement model. To test the quality of the measurement model, individual item reliability, construct reliability, average variance extracted analysis, and discriminant validity are examined. As shown in Table 2, the internal consistency reliability was examined using Cronbach's Alpha (CA), which returned values ranging from 0.70 to 0.83, all above the acceptable threshold of 0.70. To satisfy convergent validity, the factor loadings of all indicators should exceed 0.70, the Composite Reliability (CR) should be no less than 0.70, and the Average Variance Extracted (AVE) should be no less than 0.50. All items in this study had loadings greater than 0.70. The AVE scores were between 0.51 and 0.74, and the CR ranged from 0.70 to 0.83. Thus, all criteria for convergent validity were met.

Table 2
Individual item reliability and construct reliability

Factor	AVE	CA	CR
Funding intention	0.70	0.78	0.87
Perceived usefulness	0.51	0.71	0.72
Trust	0.62	0.76	0.83
Perceived ease of use	0.74	0.83	0.90
Communication	0.53	0.80	0.71
Shared Value	0.72	0.81	0.89
Situational normality	0.55	0.70	0.79
Website familiarity	0.59	0.72	0.81

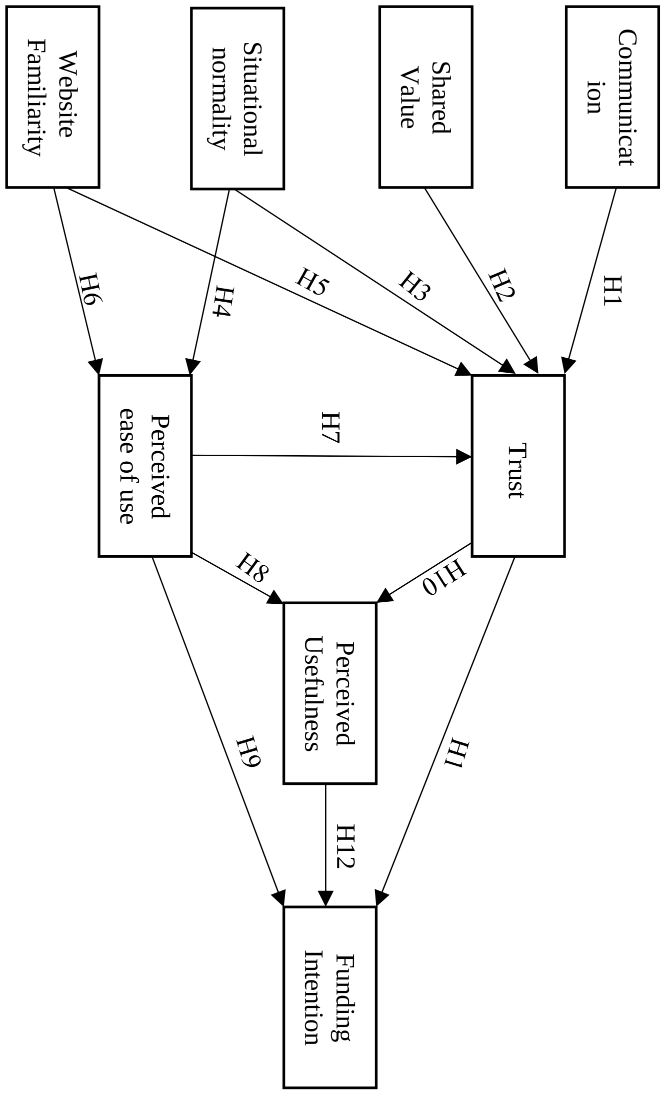

Fig. 1. Research model.

5.2. Structural model

After confirming the measurement reliability and validity of the constructs, this research used the factor scores of the items measuring each construct as their construct scores and ran a series of multiple regressions to test the hypotheses. First, as shown in Models 1, 2, and 3, the control variables (gender and education) have no significant effect on funders' investment intention except for age (β=-0.074, $p < 0.05$), which has a negative effect on funders' investment intention. The results reveal the young have stronger intentions to invest in crowdfunding than the elders do. Generally, young people are more willing to explore and accept new things than older people. At the same time, the elderly tends to have a higher aversion to the same level of risk; thus, young people show a stronger desire to support crowdfunding. Meanwhile, the results also indicate that funders' gender and education level do not play any role in funders' investment decision-making.

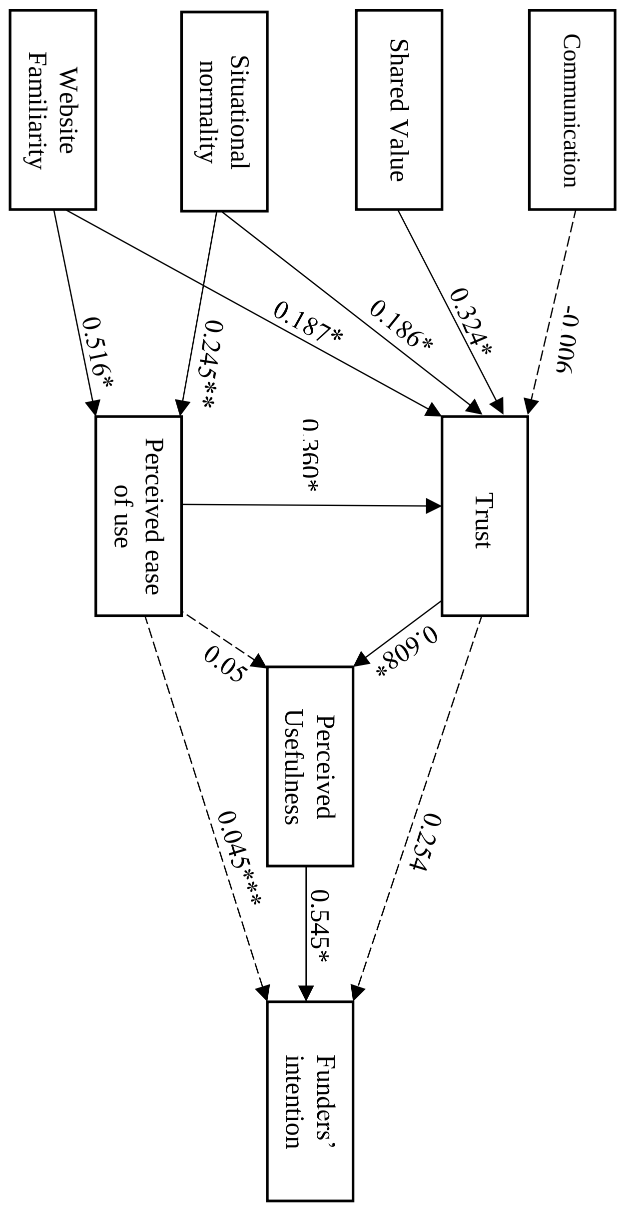

Fig. 2. The structural model; *significant at the 0.05 level; **significant at the 0.01 level; ***significant at the 0.001 level; R2 represents adjusted R2 values.

Fig. 2 shows the hypothesized relationships between the constructs equipped with the estimated path coefficients and significance level. Central routes are negatively associated with funders' investment intention

Communication (β=-0.006, p=0.92) negatively affect funders' trust, not supporting H1, Shared Value (β=0.324, p=0.00) positively affect funders' trust, supporting H2, Situational normality (β=0.186, p=0.01) positively affect funders' trust, supporting H3, Situational normality (β=0.24, p=0.03) positively affect funders' Perceived ease of use, supporting H4, funders' Website familiarity (β=0.24, p=0.01) positively affect their trust, supporting H5, funders' Website familiarity (β=0.516, p=0.00) positively affect their Perceived ease of use, supporting H6, funders' Perceived ease of use (β=0.360, p=0.00) positively affect their trust, supporting H7, funders' Perceived ease of use (β=0.056, p=0.66) negatively affect their Perceived usefulness, not supporting H8, funders' Perceived ease of use (β=0.045, p=0.78) negatively effect on funders' investment intention, not supporting H9, funders' trust (β=0.0.608, p=0.00) positively effect on funders' investment intention, supporting H10, funders' trust (β=0.254, p=0.09) negatively effect on funders' investment intention, not supporting H11, funders' Perceived usefulness (β=0.545, p=0.00) positively affect funders' investment intention, supporting H12.

Out of 12 hypotheses, 8 were supported (H2, H3, H4, H5, H6, H7, H10, and 12). The remaining four hypotheses were not supported (H1, H8, H9, and H11). To estimate the predictive power of the model, the authors computed the explained variance (adjusted R2 values (Chin, 2010)) of each of the endogenous constructs (Hair et al., 2016). The adjusted R2 values range from 43% to 84% indicating that the model has moderate to high predictive value.

6. Discussion

This study was conducted to understand the Funders' intention in trust in crowdfunding quantitatively and using the structural equation modeling method. In the process of determining the factors related to understanding the impact of trust on funders' investment intention in crowdfunding and formulating research hypotheses, the social exchange theory (Homans, 1958) and technology acceptance model ((Davis 1989; Davis et al.1989) were used as the theoretical foundations of the research. In the model of this research, it was assumed that trust is affected by five factors. But according to the results of this research, among them, only the communication factor has no significant effect on the trust of investors. Considering the nature of crowdfunding, it was predicted that the shared value would influence the trust and indirectly the funders' investment intention, and the corresponding hypothesis was confirmed. This finding confirms the research of Zhao et al. (2017) who showed that the shared value between the funders and the entrepreneurs will lead to more trust. From the point of view of the social exchange theory, this issue is a sign of the non-economic dimension of the exchange between the funders and the entrepreneurs. According to this theory, in addition to the exchange of economic resources, intangible socio-emotional resources are also transferred between the parties of the exchange, which may not be of economic benefit to the patron, but fulfills his other needs. Another noteworthy point is the influence of institutional and platform-related variables on trust. Those factors related to trust that can be provided by the platform and presented to the investors (such as situational normality and Perceived ease of use) were interpreted as meaningful in the statistical sample of this research. This significant relationship in this research shows the influence of institutional factors on the funders' trust in crowdfunding. The meaningful acceptance of the influence of situational normality on the funders' trust shows that the investors either consider these norms as a necessary factor for trust or in their opinion, this factor is sufficient for trust.

The result of this research in the context of the positive effect of the funders' perceived usefulness on the funders' investment intention and also the positive effect of the funders' perceived ease of use on their perceived usefulness is consistent with the research' of Thaker et al (2018) that the technology acceptance model in crowdfunding is consistent.

Table 3
Test hypotheses of research hypotheses

Direct effects of path	coefficient (β)	t-statistic	P-Value	result of researcher hypothesis
Perceived usefulness-> funders' investment intention	0.545	5.69	0.00	supported
Website familiarity-> Trust	0.187	2.49	0.01	supported
Website familiarity -> Perceived ease of use	0.516	5.45	0.00	supported
Trust -> Perceived usefulness	0.608	5.72	0.00	supported
Trust -> funders' investment intention	0.254	1.65	0.09	not supported
Situational normality -> Trust	0.186	2.42	0.01	supported
Situational normality -> Perceived ease of use	0.245	2.11	0.03	supported
Perceived ease of use -> Perceived usefulness	0.056	0.45	0.66	not supported
Perceived ease of use -> Trust	0.360	4.56	0.00	supported
Perceived ease of use -> funders' investment intention	0.045	0.29	0.78	not supported
Communication -> Trust	-0.006	0.10	0.92	not supported
Shared Value -> Trust	0.324	3.55	0.00	supported

Regarding the communication variable, the results indicate that the effect of communication negatively effects the funders' trust in crowdfunding. Although the results of previous research such as Zehir et al. (2011) and Zhao et al. (2017) indicate that communication is effective in the decision-making process of funders, this hypothesis was rejected in this research. The rejection of this hypothesis can have two reasons. First, funders may not need a relationship with the platform and the entrepreneurs in order to trust crowdfunding. Funders need a new type of communication to gain the necessary trust in an age where communication tools are constantly changing.

7. Conclusion

This research contributes to the growing literature on trust and understanding the impact of trust on funders' investment intention in crowdfunding. The majority of previous literature focused on the type of motives that funders have (e.g., Gerber and Hui 2013; Cholakova and Clarysse ,2015; Latysheva 2017; Steigenberger 2017; Zvilichovsky et al. 2018) and how these motives affect fundraising success (e.g., Allison et al. 2015; Ryu and Kim 2018). Prior research has determined the association between motivational cues and fundraising success. However, previous research ignored the moderating effect of other features. Trust is an essential feature in funders' investment intention studies because it significantly affects fundraising success in crowdfunding projects. Therefore, this research pioneers in involving the trust feature in the study of motives in crowdfunding, providing practice for extending the funders' investment intention study. As trust strength impacts funders' different intentions, it should be considered in the study of funders' investment intention in crowdfunding. Based on the results, we confirm that trust positively moderates and indirectly affects funders' investment intention through perceived usefulness.

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