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# From novice to serial entrepreneur: How institutions influence relaunching decisions on international crowdfunding platforms

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ABSTRACT

We examine the relationship between formal institutions and entrepreneurs' campaign launching decisions, drawing on institutional economics and using data from 177,499 crowdfunding campaigns across developed and developing countries. The findings highlight the significant influence of institutions in the use of crowdfunding platforms, with novice entrepreneurs considering policies governing local credit conditions and resolving insolvency in their initial decision to reuse the platform. However, the effect of local credit conditions diminishes after developing a record of accomplishment on the platform. Additionally, laws protecting minority investors and resolving insolvency have a greater impact for serial entrepreneurs. Our study provides insights into the role of institutions in entrepreneurial finance and serial entrepreneurship for both advanced and emerging economies.

## 1. Introduction

The emergence of international crowdfunding platforms has reshaped entrepreneurial finance, offering alternative funding pathways for both novice and serial entrepreneurs (Ahsan and Musteen, 2021; Calic and Mosakowski, 2016; Di Pietro and Butticè, 2020; Dushnitsky et al., 2022). While financing constraints persist globally (Block et al., 2021; Cumming and Johan, 2017; Schwienbacher, 2021; Vismara, 2018), most crowdfunding research has emphasized individual-level traits over contextual influences when explaining access to these platforms (Efrat et al., 2021; Elrashidy et al., 2024; Kuppuswamy and Mollick, 2016). As a result, institutional factors—such as credit access, investor protection, and insolvency resolution—remain underexplored, particularly in cross-national settings (Urbano et al., 2019), despite their potential influence on campaign dynamics and results (Cumming et al., 2025; Di Pietro and Butticè, 2020).

While some studies acknowledge contextual factors in crowdfunding (cf., Cumming et al., 2025; Di Pietro and Butticè, 2020), there exists a lacuna when it comes to institutional elements such as credit access, investor protection, and insolvency resolution (Urbano et al., 2019). This gap is especially salient in understanding how formal institutions shape the crowdfunding behavior of novice versus serial entrepreneurs. Serial crowdfunders—those who repeatedly launch campaigns—play a growing role in the crowdfunding ecosystem. In fact, since its inception in April 2009 and up to November 2016, Kickstarter had 29,788 serial crowdfunders (approximately 10 % of all founders on Kickstarter), who have run 75,654 campaigns (approximately 25 % of all campaigns during the same period), securing $859 million in the funds raised (more than 30 % out of total funds raised during the same period) (Sewaid et al., 2021b). Currently, we do not know how institutional forces affect campaign relaunch on crowdfunding platforms.

To address this gap, we draw on institutional theory (North, 2005; Scott, 1995), which posits that formal rules shape entrepreneurial behavior, including funding strategies (Ács et al., 2014; Kolokas et al., 2020; Li and Zahra, 2012; Murthy and Madhok, 2021). We examine how policies related to credit access, minority investor protection, and insolvency resolution influence the likelihood of campaign relaunch, and how these effects differ between novice and serial entrepreneurs.

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For instance, strong insolvency laws in developed economies may reduce reliance on crowdfunding for market validation, while weaker institutions (mostly observed in developing economies) may drive repeated platform use.

In this study, we examine two related questions: (1) How do formal institutions affect the likelihood of entrepreneurs relaunching crowdfunding campaigns? And (2) how does this relationship evolve as entrepreneurs transition from novice to serial? Our interest in studying these differences stems from the increasing economic significance of serial launching on crowdfunding platforms and from the limited knowledge of the factors driving serial relaunching. Despite evidence that personal experience and platform familiarity influence serial behavior (Efrat et al., 2021; Junge et al., 2022; Kuppuswamy and Mollick, 2016), we propose that local institutional environments also play a decisive role (North, 1990; Scott, 1995)—a dimension overlooked in the current literature.

To examine institutions and entrepreneurs' campaign launching decisions on crowdfunding platforms, we analyze 177,499 Kickstarter campaigns across 25 developed and developing countries (2009–2016), integrating entrepreneur-level and country-level data in a multi-level framework. We measure institutional quality using World Bank Doing Business indicators, focusing on access to credit, investor protection, and insolvency resolution (Lee et al., 2011). A two-stage analysis is employed, in which we, first, examine the effect of formal institutions—and entrepreneur-specific factors—on launching a second project (i.e., becoming a serial entrepreneur) on an international crowdfunding platform. Second, we explore those who have already launched a second campaign and, hence, become serial entrepreneurs. We test whether formal institutions—and entrepreneur-specific variables—are still relevant in determining subsequent launching activity. Our two-stage analytic approach yields novel insights. First, better credit access reduces the likelihood of relaunching, indicating a substitution between traditional and alternative finance. Stronger insolvency laws are similarly associated with fewer relaunches. Second, among serial entrepreneurs, the influence of credit access becomes irrelevant, while investor protection and insolvency laws become more salient in subsequent campaign decisions.

Our paper contributes to the literature in two ways. First, it sheds light on the drivers of serial launching on international crowdfunding platforms, a growing yet understudied phenomenon. While serial entrepreneurs significantly impact economic activity (Parker, 2013; Zhang, 2011), most research focuses on traditionally funded ventures such as bank loans, venture capital (VC), and angel investors (Parker, 2013), leaving their crowdfunding behavior largely unexplored (Nielsen and Sarasvathy, 2016). Currently, there is little documentation of the factors that influence their decisions in the context of crowdfunding using international platforms (Parker, 2013). Our study's second contribution lies in identifying the relationship between local formal institutions and launching activity on international crowdfunding platforms. Although institutions shape entrepreneurship and financing decisions (Bjørnskov and Foss, 2016; Li and Zahra, 2012; Urbano et al., 2019; Welter, 2011), their role in the context of global crowdfunding remains unclear. Our study provides such documentation, providing support for the institutional perspective in studying entrepreneurial financing across developed and developing countries.

## 2. Theoretical background

Research highlights the importance of having stronger formal institutions and rule of law to the promotion of entrepreneurial activities (Bjørnskov and Foss, 2016; Welter, 2011). Formal institutions regulate human interactions and economic decisions, aiming to reduce transaction costs and uncertainty surrounding complex economic and non-economic relationships (North, 1990). These institutions pass laws and enact policies that affect the motivation and willingness of individuals in a country to engage in entrepreneurial activities. Research underscores the need of formal institutions for promoting entrepreneurial activities (Bjørnskov and Foss, 2016; Urbano et al., 2019; Welter, 2011). In particular, formal institutions such as the procedures to start a new business (Audretsch et al., 2024; Chowdhury et al., 2019; Djankov et al., 2002; van Stel et al., 2007) and the regulations covering the availability of credit (Adomako et al., 2020; Aparicio et al., 2021; Colson et al., 2025) are essential to spur entrepreneurship. Given this importance, research has paid considerable attention to formal institutions that influence different traditional entrepreneurial financing sources such as business angels, venture capital, and microfinance (Sun and Liang, 2021; Wright et al., 2005). In contrast, little is known about the effect of formal institutions on the adoption of crowdfunding (Bruton et al., 2015; Doern et al., 2019).

With the rapid growth of crowdfunding platforms worldwide, researchers have begun to investigate the determinants of fundraising performance (Junge et al., 2022; Nakagawa and Kosaka, 2022). Specifically, they have focused on how entrepreneurs could signal their quality to resolve information asymmetry concerns among their potential backers (Cornelis et al., 2022; Gafni et al., 2019; Seigner et al., 2022). Researchers have also studied the role of informal institutions, social capital, and networks in determining the success of fundraising campaigns (Butticè et al., 2017; Skirnevskiy et al., 2017). Moreover, researchers have analyzed the antecedents of using the crowdfunding platform where entrepreneurs launch and relaunch their ventures (Kuppuswamy and Mollick, 2016; Lewis et al., 2020).

As our discussion would indicate, crowdfunding platforms have become widely used worldwide. Still, empirical comparisons across developed and developing countries on the role of local formal institutions as antecedents to entrepreneurs using these platforms to launch and relaunch their ventures is limited. Moreover, many governments around the world have enacted policies that promote entrepreneurship and facilitate investing in entrepreneurial activities (Cumming et al., 2018). Extant literature reviews (cf., Bjørnskov and Foss, 2016; Bruton et al., 2010; Zhai et al., 2019) offer thorough analyses about the underline mechanisms of entrepreneurship policies from an institutional perspective. In this regard, formal institutions such as credit access, investor protection, and insolvency resolution, have determined the level and quality of entrepreneurial activity (Audretsch et al., 2024; Urbano et al., 2019), including crowdfunding campaigns (Di Pietro and Butticè, 2020). It is suggested that strong financial institutions and transparent regulations facilitate funding availability, while weak financial infrastructures may force entrepreneurs to rely on informal sources (Zhai et al., 2019). Legal protections for minority investors enhance confidence and encourage broader participation in crowdfunding, whereas weak governance can deter investment (Zhai et al., 2019). Similarly, bankruptcy laws that balance creditor rights with entrepreneur protection foster innovation by reducing the risks associated with failure (Bruton et al., 2010), but restrictive insolvency policies may discourage risk-taking and limit entrepreneurial relaunch opportunities (Di Pietro and Butticè, 2020).

Despite these insights, gaps remain in understanding how formal institutions affect crowdfunding specifically. Limited research exists on how financial regulations impact entrepreneurship (Bjørnskov and Foss, 2016), especially crowdfunding accessibility (Cumming et al., 2025). Likewise, the role of investor protection frameworks in the new venture creation process (Bruton et al., 2010), and particularly in crowdfunding (Di Pietro and Butticè, 2020), remains largely unexplored. Additionally, while insolvency laws influence entrepreneurship (Urbano et al., 2019; Zhai et al., 2019), little is known about their effects on crowdfunding (Cumming et al., 2025), either beginners or serial. Addressing these gaps would provide deeper insights into how institutional factors can better support crowdfunding ventures and their sustainability.

An institutional perspective (North, 2005; Scott, 1995), therefore, suggests that these formal structures establish the rules of the game that determine the extent to which entrepreneurs can access financial resources, attract investment, and navigate business failure. This would

lead us to expect local policies to influence entrepreneurs' use of international crowdfunding platforms, as discussed next.

## 3. Hypotheses development

### 3.1. Access to local credit and crowdfunding campaign relaunch

Access to local credit is a key formal institution as it reflects the regulatory and financial infrastructure governing entrepreneurs' ability to secure funding from traditional financial intermediaries (Gnyawali and Fogel, 1994). This completely aligns with North's (1990) and Scott's (1995) ideas about the role of regulations in reducing transaction costs in activities like entrepreneurship, especially when raising funding. Strong credit markets, characterized by well-established legal frameworks for lending and borrowing, enhance financial access and reduce entrepreneurs' reliance on alternative funding sources such as crowdfunding (Cumming and Johan, 2017; Kolokas et al., 2020). Conversely, in contexts where credit markets are underdeveloped, entrepreneurs face liquidity constraints, prompting them to explore alternative financing mechanisms, including crowdfunding (Bruton et al., 2015; Murthy and Madhok, 2021).

Some research shows that access to finance is necessary for the entrepreneur to move from the opportunity identification phase to the exploitation phase (e.g., Baron and Ensley, 2006; Shane and Nicolaou, 2018). These findings are consistent with Gnyawali and Fogel (1994) who identify different formal institutional factors along the different stages of an entrepreneurial project's development. For example, they note that government procedures, as well as business skills and socio-economic factors influence entrepreneurs' opportunity identification. Once the idea takes shape and is ready for launching, financial resources become more crucial to taking the new venture to the market.

Past research findings also indicate that access to credit increases entrepreneurial activity across countries, especially in emerging economies (Adomako et al., 2021; Aparicio et al., 2021; Cumming, 2007; Cumming et al., 2018; Harrison et al., 2016; Urbano et al., 2019). Of course, access to financing is not limited to a single source. Entrepreneurs usually consider different financial alternatives based on existing credit market conditions and, accordingly, decide whether to pursue traditional channels (e.g., VC) or other financial alternatives such as crowdfunding (Cumming and Johan, 2017). This suggests that a potential substitution effect may arise when different institutions or policies exist to facilitate the availability of different funding alternatives.

Some recent studies have indicated a substitution effect among the different financing alternatives available to entrepreneurs when deciding between traditional bank credit and alternative financing sources. For instance, Berger and Schaeck (2011) show that entrepreneurs seeking to retain their equity shares in their ventures were less inclined to seek VC when bank loans were accessible. Similar dynamics persisted when entrepreneurs evaluated angel investors as an alternative source of financing (Harrison et al., 2016). Together, these results indicate that local credit-market conditions are likely to affect an entrepreneur's choice of a specific financial alternative. Still, despite this possible substitution effect among different financial sources, Grilli (2019) shows that funding alternatives continue to be available as long as there is an appropriate financial system accommodating them.

As crowdfunding has recently developed into a viable alternative form of financing, some research has shown that entrepreneurs initially turn to crowdfunding when other sources of finance are restricted (Butticè et al., 2020; Walthoff-Borm et al., 2018). However, even when they have easy access to capital, some entrepreneurs return to crowdfunding platforms to finance their ventures (Efrat et al., 2021; Li and Martin, 2019; Skirnevskiy et al., 2017). For instance, in 2012, Eric Migicovsky the founder of Pebble initially turned to Kickstarter to raise $100,000 when other sources of funding went dry. However, his first crowdfunding attempt proved to be a blockbuster and ended up raising $10 million in pre-sales, well beyond his needs. Even though after this huge success, other traditional sources of financing became available, Migicovsky returned to the platform for future launches. In fact, he was subsequently able to raise $20 million in 2015 and $12 million in 2016. Migicovsky continued to use this funding channel because it was the reason behind his initial success, giving him access to his initial community of backers. As the example illustrates, crowdfunding does not only facilitate entry into entrepreneurship but continues to be a viable financing alternative for serial entrepreneurs.

Stimulated by the economic significance of serial entrepreneurs using traditional funding approaches such as VCs and angel investors (Zhang, 2011), recent studies have investigated serial crowdfunders and highlighted their disproportionate economic significance on crowdfunding portals (Butticè et al., 2017; Lee and Chiravuri, 2019; Sewaid et al., 2021b). Despite these insights, research into the institutional antecedents of becoming a serial crowdfunder is lacking. Moreover, despite the dearth of empirical research, one might suspect that novice crowdfunders could be restricted in their access to external capital. However, this access is likely to improve for serial crowdfunders (Butticè et al., 2017; Sewaid et al., 2021b). Thus, we would expect that serial entrepreneurs continuing to relaunch their crowdfunding campaigns on a given platform have strong preferences for this financing mechanism. This suggests that when identifying the factors that determine serial entrepreneurs' decisions to relaunch a crowdfunding campaign, we need to analyze how the effect of these factors might differ as entrepreneurs establish track-records and other sources of financing become available.

To date, the literature has not examined the role that local credit-market conditions play in entrepreneurs' decisions to relaunch crowdfunding campaigns on international platforms. Entrepreneurs make these decisions with recognition of their local formal institutions. Specifically, novice crowdfunders on a platform are likely to consider local credit-market conditions in their decision to relaunch a crowdfunding campaign. If their access to local credit is relatively easy, they are more likely to use their initial crowdfunding performance as proof of viability and tap traditional sources of funding (e.g., banks and VCs). However, if access to local credit is restrictive (as happens in developing countries [Aparicio et al., 2021]), novice entrepreneurs may return to the crowdfunding platform to relaunch a follow-up campaign. Thus, novice crowdfunders might continue to use crowdfunding and become serial crowdfunders, capitalizing on their reputation and platform-specific social capital (Butticè et al., 2017; Sewaid et al., 2021b). In this case, these serial crowdfunders might not weigh heavily local credit-market conditions when relaunching a subsequent crowdfunding campaign and remain loyal to this funding mechanism. In fact, some research indicates that many entrepreneurs who had access to external sources of funding after their initial crowdfunding campaign continue to tap crowdfunding for their follow-up fundraising projects (Efrat et al., 2021; Li and Martin, 2019; Skirnevskiy et al., 2017).

To summarize, the above arguments indicate that the relationship between access to credit in the entrepreneur's home country and the decision to relaunch a fundraising campaign on an international crowdfunding platform will likely depend on whether the entrepreneur has strong preference for crowdfunding as a financing approach: Is it the entrepreneur's first relaunch or has she previously relaunched a campaign? We expect the entrepreneur to heavily factor in local credit-market conditions in the decision to initially relaunch a crowdfunding campaign. However, if she shows strong preference for crowdfunding as a financing approach by repeatedly launching crowdfunding campaigns on the platform, then the effect of local credit-market conditions on subsequently relaunching would be weakened. These arguments suggest the following hypotheses:

**Hypothesis 1a.** *Ease of getting credit will negatively affect the entrepreneur's decision of initially relaunching a crowdfunding campaign.*

**Hypothesis 1b.** *The negative effect of ease of getting credit on relaunching is weakened for subsequent relaunches.*

### 3.2. Local regulations and crowdfunding campaign relaunch

#### 3.2.1. Minority investor protection laws and crowdfunding campaign relaunch

Djankov et al.'s research (2002) highlights the adverse effects of restrictive business regulations on formal entry into entrepreneurship, supporting La Porta, Lopez de Silanes, and Shleifer's (2002) findings. However, formal institutions can promote entrepreneurial activity by advancing policies that protect equity investors (Audretsch et al., 2024; Chowdhury et al., 2019). One such institution is minority protection laws which govern the legal rights of small shareholders and external investors in business ventures. Institutional economics suggests that strong investor protection mechanisms enhance capital market efficiency by reducing information asymmetry and mitigating risks associated with expropriation by majority stakeholders (North, 2005). In economies where minority investor rights are safeguarded through transparent legal frameworks, entrepreneurs are more likely to attract external funding, thereby decreasing their reliance on crowdfunding platforms (Li and Zahra, 2012; Urbano et al., 2019). In contrast, weak investor protection laws discourage private investment, pushing entrepreneurs toward crowdfunding as an alternative means of raising capital while ensuring broader public participation in venture financing (Cumming et al., 2018).

Investor protection laws become policies that would mitigate the risks that equity investors face from potential external shocks (e.g., crises) and internal factors (e.g., poor corporate management) (Epure et al., 2024). This is especially valuable for minority investors who do not assume a controlling stake in their investments. As observed in some developed countries, better laws that protect investors would be associated with an increased supply of funds available for equity investment (Dilli et al., 2018). This effect is not unique to a specific form of equity financing. For instance, Cumming et al. (2021) suggest that the intrinsic risk involved in equity crowdfunding platforms can be mitigated by having stable formal institutions that protect participants on these platforms (i.e., investors and entrepreneurs).

Even though better minority investors' protection laws increase the supply of private capital available to entrepreneurs locally, it also increases accountability on the entrepreneur's side. If no alternative financial option is available, better minority investors protection law would be associated with increased reliance on equity financing. However, in the presence of alternative forms of financing, the restrictive laws governing the relationship between equity investors and the entrepreneur might discourage the entrepreneur from tapping equity financing. This is especially true for novice entrepreneurs who encounter great uncertainties, mostly observed in emerging economies.

Given the emergence of reward-based crowdfunding as a financing alternative, entrepreneurs would weigh both financing options, relaunching by acquiring private capital by issuing equity, or using reward-based crowdfunding campaigns as a financing alternative. In reward-based crowdfunding, fund providers are not investors. Further, local minority investor protection laws do not govern the relationship between the entrepreneur and potential backers. The effect that laws governing minority investor protection might have on returning to the reward-based crowdfunding platform to relaunch a venture would be channeled through a substitution effect. Entrepreneurs would flee the constraints imposed by better minority investors' protection policies by financing their ventures through unregulated reward-based crowdfunding, where accountability is low (Blaseg et al., 2020).

Given the above arguments, we expect entrepreneurs located in locations with better minority investors' protection policies to tap reward-based crowdfunding as their financing alternative. This positive association would be weaker for initial relaunches, since the entrepreneur lacks a sufficient track-record to realistically tap equity financing. Still, as the entrepreneur establishes a demonstrable record through serially launching on reward-based crowdfunding platforms, and equity financing becomes more accessible, the substitution effect between equity financing and reward-based crowdfunding would be more prevalent. Hence, the positive association between laws protecting minority investors and subsequent relaunching via reward-based crowdfunding would be amplified. Therefore, we suggest the following hypotheses:

**Hypothesis 2a**. *Strong protection of minority investors positively affects entrepreneurs' decision of initially relaunching a crowdfunding campaign.*

**Hypothesis 2b**. *The positive effect of minority investors' protection on relaunching is amplified for subsequent relaunches.*

#### 3.2.2. Resolving insolvency laws and crowdfunding campaign relaunch

Resolving insolvency laws is another crucial formal institution affecting entrepreneurial behavior, particularly in terms of risk-taking and business recovery (Lee et al., 2011). The institutional perspective (North, 1990; Scott, 1995) applied to the entrepreneurship arena suggests that robust bankruptcy laws reduce the personal and financial costs of business failure, encouraging entrepreneurial activity by providing a structured framework for resolving financial distress (Fu et al., 2020). In environments where insolvency resolution mechanisms are efficient—offering clear legal procedures, creditor protections, and debtor-friendly policies—entrepreneurs are less dependent on crowdfunding, as traditional financing remains accessible even in cases of financial difficulty (Cumming et al., 2025). However, in countries with weak insolvency frameworks, where entrepreneurs face punitive bankruptcy laws and limited avenues for business recovery, crowdfunding may serve as a risk-mitigation tool, allowing entrepreneurs to test market demand before committing to formal venture initiation (Di Pietro and Butticè, 2020). Thus, the legal structure governing insolvency resolution plays a pivotal role in shaping entrepreneurs' decisions regarding venture financing and relaunching on crowdfunding platforms.

Therefore, one may think that laws that govern resolving insolvency are a major factor that influences entrepreneurs' choice of funding approach. These laws usually protect capital providers and reduce their risks (Audretsch et al., 2024; Chowdhury et al., 2019). Resolving insolvency procedures also play a role in motivating/deterring entrepreneurs in pursuing opportunities. The effect of these laws goes farther when it comes reward-based crowdfunding. For instance, some entrepreneurs launch their ventures via crowdfunding to 'crowd validate' their ideas before formal incorporation. If a campaign does not attract much appeal, the project could be abandoned, and the venture is not incorporated. This way the entrepreneur can save the costs associated with incorporation, production, and commercialization. The ability to achieve these savings could influence entrepreneurs' decision-making.

The value of crowdfunding also goes beyond providing a source of financial capital for entrepreneurs. For instance, some entrepreneurs tap crowdfunding platforms to validate their business ideas, commercialize their venture prior to retail market launching (Brown et al., 2017), and form a loyal community of customers (Butticè et al., 2017; Skirnevskiy et al., 2017). Thus, entrepreneurs use crowdfunding for financing as well as commercialization. When bankruptcy laws facilitate the closing of a failed project and re-entry into entrepreneurship, the advantage of validating a business idea via crowdfunding is diminished. Indeed, Armour and Cumming (2006, 2008) found that having clear policies related to insolvency and bankruptcy laws help entrepreneurs close their failed ventures and re-enter with a new project, in which private equity and VC is easily accessed. This finding also holds for alternative sources of funds, such as business angels (Grilli, 2019). Further, Di Pietro and Butticè (2020) show that the supply of local crowdfunding platforms is positively associated with having strong insolvency laws. Specifically, countries that have laws that help in resolving insolvency usually have a larger number of local crowdfunding platforms. However, research has not documented the effect of these policies on individual crowdfunding activity.

Given that laws that better resolve insolvency reduce the costs associated with failure in launching a venture using a traditional funding

approach, one would suspect a substitution effect between formal launching and launching using crowdfunding. Entrepreneurs from those advanced countries with better resolving insolvency policies are less likely to relaunch a campaign via crowdfunding. This is because the cost of resolving insolvency is lower in these countries, diminishing the benefit of crowd validation. Further, with better resolving insolvency laws, there are higher levels of traditional capital available, which lowers the need for crowdfunding financing. This effect is further amplified for serial launchers on the platform. Serial launchers on the platform would have emerged from the nascent stage and accumulated experience. These entrepreneurs gain confidence in their abilities as they accumulate experience. Hence, the benefits of crowd validation prior to commercialization become less relevant, amplifying the negative association between resolving insolvency procedures and subsequent relaunch. Therefore, we propose the following hypotheses:

**Hypothesis 3a**. *Better laws governing resolving insolvency negatively affects entrepreneurs' decision of initially relaunching a crowdfunding campaign.*

**Hypothesis 3b**. *The negative effect of better laws governing resolving insolvency on relaunching is amplified for subsequent relaunches.*

## 4. Data and methods

### 4.1. Data

Kickstarter is the leading reward-based crowdfunding platform worldwide. Though it is based in the United States, its outreach spans the world's six major continents and more than 150 developed and developing countries. Since its inception in 2009, backers on the platform pledged more than $5 billion. Previous studies have used data from Kickstarter to examine the different drivers of performance and relaunching on the platform (e.g., Cornelius and Gokpinar, 2020; Sewaid et al., 2021b; Taeuscher et al., 2021). Following prior research, we use the population of projects launched on the platform since its inception in April 2009 and up to November 2016. The initial dataset is comprised of 294,500 completed campaigns. To perform our analysis, we had to filter our data for multiple factors. First, following previous studies, we dropped non-serious crowdfunding efforts from the sample which are campaigns with fund raising goals below $1000 or higher than $1,000,000 (Mollick, 2014). Second, we filtered our observations and removed campaigns launched by teams or business entities through analyzing the name of the campaign founder on the platform (Kuppuswamy and Mollick, 2016). For instance, a campaign launched by "Digital Technologies" would be treated as a business entity and dropped, but a campaign launched by "Sara Williams" would remain in our sample. Third, since our focus is on the intersection of institutional factors and relaunching activity in crowdfunding, we dropped observations without location information or missing institutional proxies. This left us with 179,886 projects launched in 138 advanced and emerging economies. Finally, since many of the countries in our sample have a limited number of observations and serial relaunching would only account for 25 % of these observations, we focused our attention on countries which have at least a representation of 100 campaigns on the platform. This left us with the top 25 developed and developing countries with a crowdfunding presence. Our final dataset consisted of 177,499 campaigns. The list of countries included in our analysis appears in Table 1.

### 4.2. Measures

#### 4.2.1. Dependent variable

Our goal is to determine the effect of institutional factors on campaign relaunching activity. To this end, we identify two dependent variables of interest. The first is *Initial Relaunch*, which indicates whether a novice entrepreneur relaunches a second crowdfunding campaign. We measure this variable using a dummy variable that equals one if the entrepreneur launches a second crowdfunding campaign and zero otherwise. The second is whether the entrepreneur has a *Subsequent Relaunch*, given that the entrepreneur had already relaunched once and is serial in nature (Kuppuswamy and Mollick, 2016). It is measured as a dummy variable; it equals one if the entrepreneur had a subsequent relaunch and zero otherwise.

#### 4.2.2. Independent variables

A novel aspect of our study is that we introduce country-level factors to the analysis of relaunching in the crowdfunding context, especially conditions related to *Business-Credit*. To do so, we use three financial

**Table 1**
List of countries included in the study.

| Country/Territory | Observations | Getting Credit | | | Resolving Insolvency | | | Minority Protection | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Mean | Min | Max | Mean | Min | Max | Mean | Min | Max |
| Australia | 3,043 | 91.7 | 87.5 | 93.8 | 75.2 | 73.7 | 75.4 | 60.5 | 56.7 | 64.0 |
| Austria | 189 | 57.8 | 55.0 | 68.8 | 78.3 | 72.8 | 79.2 | 66.6 | 53.3 | 70.0 |
| Belgium | 141 | 46.7 | 45.0 | 56.3 | 83.7 | 76.2 | 84.0 | 68.3 | 68.0 | 70.0 |
| Brazil | 141 | 48.5 | 45.0 | 50.0 | 52.0 | 51.1 | 54.5 | 56.0 | 53.3 | 62.0 |
| Canada | 5,876 | 83.1 | 81.3 | 85.0 | 81.6 | 79.0 | 83.5 | 85.3 | 83.3 | 86.7 |
| China | 155 | 62.5 | 62.5 | 62.5 | 55.3 | 55.3 | 55.3 | 50.0 | 50.0 | 50.0 |
| Denmark | 315 | 72.8 | 70.0 | 81.3 | 84.5 | 77.8 | 84.8 | 69.8 | 63.3 | 72.0 |
| France | 714 | 51.8 | 50.0 | 56.3 | 71.1 | 50.5 | 76.1 | 63.8 | 53.3 | 68.0 |
| Germany | 1,289 | 72.2 | 70.0 | 81.3 | 91.6 | 89.1 | 91.9 | 59.7 | 50.0 | 62.0 |
| Ireland | 335 | 75.9 | 70.0 | 87.5 | 80.0 | 79.4 | 80.0 | 80.6 | 76.0 | 86.7 |
| Israel | 155 | 81.0 | 65.0 | 87.5 | 63.8 | 52.9 | 72.5 | 79.4 | 78.0 | 80.0 |
| Italy | 986 | 46.2 | 45.0 | 50.0 | 75.2 | 67.9 | 76.1 | 63.8 | 56.7 | 66.0 |
| Japan | 282 | 68.3 | 55.0 | 75.0 | 90.6 | 90.3 | 90.6 | 68.0 | 64.0 | 70.0 |
| Mexico | 222 | 76.9 | 75.0 | 90.0 | 65.4 | 62.9 | 73.0 | 58.1 | 56.7 | 62.0 |
| Netherlands | 880 | 44.8 | 40.0 | 56.3 | 83.9 | 80.3 | 84.1 | 52.8 | 43.3 | 58.0 |
| New Zealand | 607 | 96.8 | 93.8 | 100.0 | 71.3 | 67.5 | 71.6 | 91.6 | 86.0 | 96.7 |
| Norway | 193 | 56.8 | 55.0 | 62.5 | 85.5 | 84.7 | 85.7 | 73.0 | 63.3 | 76.0 |
| Puerto Rico | 129 | 92.3 | 90.0 | 93.8 | 85.5 | 82.4 | 86.4 | 64.4 | 56.0 | 70.0 |
| South Africa | 138 | 73.9 | 60.0 | 81.3 | 52.7 | 43.9 | 55.1 | 80.0 | 80.0 | 80.0 |
| Spain | 593 | 61.8 | 60.0 | 68.8 | 76.1 | 73.9 | 78.7 | 66.3 | 53.3 | 70.0 |
| Sweden | 501 | 65.8 | 60.0 | 81.3 | 78.4 | 77.7 | 79.1 | 69.6 | 56.7 | 72.0 |
| Switzerland | 194 | 68.7 | 65.0 | 87.5 | 62.1 | 59.1 | 62.6 | 46.7 | 30.0 | 50.0 |
| Ukraine | 107 | 78.8 | 56.3 | 87.5 | 29.9 | 25.1 | 31.7 | 46.4 | 40.0 | 54.0 |
| United Kingdom | 13,066 | 89.3 | 75.0 | 100.0 | 82.0 | 79.7 | 82.0 | 81.7 | 80.0 | 84.0 |
| United States | 147,248 | 94.1 | 93.8 | 95.0 | 91.2 | 91.2 | 91.2 | 79.6 | 71.6 | 83.3 |

proxies, developed by the World Bank, that have been found significantly associated with traditional funding of venture launching (González-Pernía et al., 2015). These variables are the *Getting Credit Score*, *Resolving Insolvency Score*, and *Minority Investors Protection Score*. Ranking high on these three dimensions means that the entrepreneur can easily gain access to credit through financial institutions, the entrepreneur can easily resolve insolvency in the case of bankruptcy, and minority investors' rights are protected. Table 1 shows the minimum, maximum, and mean value of our independent variable by country for all observations in our sample.

#### 4.2.3. Control variables

Given that crowdfunding is a financing and a launching alternative (Brown et al., 2017), we control for country-level factors that can affect business formation rates that could drive the supply of projects to the crowdfunding platform. Specifically, we use business-formation proxies found in the literature to be associated with entrepreneurial venture launching activity (González-Pernía et al., 2015). These include a country's *Gross Domestic Product*, *Unemployment Rate*, and the ease of *Starting a Business*. We capture these variables using the World Bank's Doing Business Report and World Development Indicators.

To control for entrepreneur-specific effects, we also introduce several variables that are associated with relaunching in crowdfunding. First, we control for a current campaign's performance by using *Current Outcome*, using a dummy variable that equals one if the current campaign raised the required funds and zero otherwise (Mollick, 2014). Second, we capture the traction that the current campaign has generated in terms of interactions with backers using two proxies. The first is *Comments*, which is a dummy variable, which is equal to one if the number of comments is in the top 90th percentile of campaigns on the platform. The second proxy is *Updates*, which is a dummy variable that equals one if the number of updates is in the top 90th percentile of campaigns on the platform (Kuppuswamy and Mollick, 2016). Finally, we also control for a current campaign's content (*Video Pitch* and *Word Count*), the entrepreneur's *Gender*, and the *Industry* to which the campaign belongs. The list of variables we used in this study and their description appear in Table 2.

Given the skewness of the variables and the zero values we encountered in our database, we transformed all continuous variables in our analysis, using the inverse hyperbolic sine transformation. This transformation has an identical interpretation to that of the natural log transformation (Burbidge et al., 1988; Franke and Richey, 2010; Sewaid et al., 2021a).

### 4.3. Methods

Our study's objective is to identify the effects of institutional factors on an entrepreneur's relaunching activity in crowdfunding. Given that we are using both individual- and country-level explanatory variables, a multi-level regression model is the most suitable analytic approach (Autio et al., 2013; Epure et al., 2024). A multi-level regression model acknowledges that entrepreneurs (*Level 1*) are nested within countries (*Level 2*). This helps in understanding the joint effects of individual- and country-level factors on an entrepreneur's decision to relaunch a crowdfunding campaign. Since our dependent variable is binary, we employ the multilevel logistic regression model (González-Pernía et al., 2015). This model would fit the data at different levels, such that the variation in the dependent variable is explained by the variation in both the individual-level (*Level 1*) and country-level (*Level 2*) factors. The model takes the following form (Autio et al., 2013; González-Pernía et al., 2015):

$$log\left[p_{ij} \Big/ \left(1-p_{ij}\right)\right] = \beta_{0j} + \beta_{1j}X_{ij} + e_{ij} \qquad \text{Level 1}$$

**Table 2**
Variables description.

| Variable | Description |
|---|---|
| ***Dependent Variable:*** | |
| Initial Relaunch | A dummy variable = 1, if the crowdfunding entrepreneur relaunches a campaign after the initial campaign. |
| Subsequent Relaunch | A dummy variable = 1, if the crowdfunding entrepreneur subsequently relaunches after initial relaunch. |
| ***Independent Variables:*** | |
| Getting Credit Score | The World Bank's country score for getting credit with respect to the regulatory best practice on the indicator set. (0–100) |
| Resolving Insolvency Score | The World Bank's country score for resolving insolvency with respect to the regulatory best practice on the indicator set. (0–100) |
| Minority Investors Protection Score | The World Bank's country score for protecting minority investors with respect to the regulatory best practice on the indicator set. (0–100) |
| ***Country-Level Controls:*** | |
| Getting Credit Score | The World Bank's country score for getting credit with respect to the regulatory best practice on the indicator set. (0–100) |
| Resolving Insolvency Score | The World Bank's country score for resolving insolvency with respect to the regulatory best practice on the indicator set. (0–100) |
| Minority Investors Protection Score | The World Bank's country score for protecting minority investors with respect to the regulatory best practice on the indicator set. (0–100) |
| Starting a Business Score | The World Bank's country score for starting a business with respect to the regulatory best practice on the indicator set. (0–100) |
| Gross Domestic Product | The Country's Gross Domestic Product in US dollars. |
| Unemployment Rate | The Country's Unemployment rate in %. |
| ***Entrepreneur-specific Variables:*** | |
| Current Outcome | A dummy variable = 1, if the current campaign is successful. |
| Comments | A dummy variable = 1, if comments are in the top 90th percentile. |
| Updates | A dummy variable = 1, if updates are in the top 90th percentile. |
| Video Pitch | A dummy variable = 1, if current campaign has a video pitch. |
| Word Count | The text length of the campaign's content section. |
| Gender | A dummy variable = 1, if the crowdfunding entrepreneur is a female. |
| Industry Dummies | Industry dummies for the 15 categories available on Kickstarter. |

$$\begin{aligned}\beta_{0j} &= \gamma_{00} + \gamma_{01}W_j + u_{0j}\\ \beta_{1j} &= \gamma_{10} + u_j\end{aligned} \qquad \text{Level 2}$$

where $p_{ij}$ is the probability that an entrepreneur $i$ from a *Country j* relaunches a campaign on the crowdfunding platform. $\beta_{0j}$ is the intercept of campaign relaunch in a *Country j*. $\beta_{1j}$ refers to the effect of entrepreneur-specific controls, $X_{ij}$, in a *Country j*. In Level 2, we see that $\beta_{0j}$ is a function of the country-specific variables $W_j$, where the effect of these variables is denoted by $\gamma_{01}$. $\gamma_{00}$ is the mean value of the dependent variable determined in Level 1 after controlling for the effect of country-level predictors. $\beta_{1j}$ is an aggregate constant measured by $\gamma_{10}$, which represents the mean effect of the entrepreneur-specific variables across countries. The error terms at each level are denoted by $e_{ij}$, $u_{0j}$, and $u_{1j}$.

In our analysis, we employ a two-stage empirical strategy. In the first stage, we estimate the probability of initial relaunching using a random effects multi-level logistic regression model. In the second stage, given that the entrepreneur has launched a second campaign, we estimate the probability of subsequent relaunching by using a multi-level logistic regression model. Since this setting is inherent to selection bias because we only observe entrepreneurs who have initially relaunched, we implement a Heckman two-step correction for selection bias. Thus, we run a probit model to estimate the entrepreneur's probability of

returning to the platform. We use this model to generate the inverse Mills ratio that is included as a control variable in the second-stage of our analysis. As an exclusion restriction, we use previous campaign performance (*Current Outcome* $_{t-1}$) and on-platform interactions (*Comments* $_{t-1}$ and *Updates* $_{t-1}$). Previous campaign performance and on-platform interactions are associated with the previous decision to relaunch and being observed in the current sample. However, they should not be associated with future relaunch decisions, which would be affected by current outcome (*Current Outcome* $_{t}$) and on-platform interactions (*Comments* $_{t}$ and *Updates* $_{t}$).

## 5. Results

### 5.1. Descriptive statistics

Table 3 presents the descriptive statistics for relaunching attempts in our sample. In Panel A, we present information on the data we used in the first stage of the analysis, focusing on analyzing relaunching attempts for novice crowdfunders, those who used the platform for the first time. Panel B presents the descriptive statistics for the observations employed in the second stage of our analysis, which explores the relaunching activity of serial crowdfunders (i.e., entrepreneurs who have previously relaunched a campaign on the same international platform). In our sample, 10.6 % of novice entrepreneurs initially relaunched a campaign, becoming serial crowdfunders. Among those serial crowdfunders, 30.4 % proceeded to subsequently relaunch crowdfunding campaigns. These figures provided initial evidence that entrepreneurs who have grown accustomed to the crowdfunding approach continue to use it for future fundraising activities.

**Table 3**
Descriptive statistics.

| Panel A: First Stage | N | Mean | S.D. | Min | Max |
|---|---|---|---|---|---|
| ***Dependent Variable:*** | | | | | |
| Initial Relaunch | 154,042 | 0.106 | 0.308 | 0 | 1 |
| ***Independent Variables:*** | | | | | |
| Getting Credit Score | 154,042 | 91.904 | 8.348 | 40 | 100 |
| Resolving Insolvency Score | 154,042 | 89.232 | 5.067 | 25.10 | 91.90 |
| Minority Investors Protection Score | 154,042 | 79.001 | 6.809 | 30.00 | 96.70 |
| ***Country-Level Controls:*** | | | | | |
| Starting a Business Score | 154,042 | 91.282 | 2.149 | 63.70 | 100 |
| Gross Domestic Product (in $US) | 154,042 | 1.44 $e^{13}$ | 5.77 $e^{12}$ | 9.10 $e^{10}$ | 1.87 $e^{13}$ |
| Unemployment Rate (in %) | 154,042 | 6.910 | 1.805 | 3.100 | 26.537 |
| ***Entrepreneur-specific Variables:*** | | | | | |
| Current Outcome | 154,042 | 0.320 | 0.467 | 0 | 1 |
| Comments | 154,042 | 0.071 | 0.257 | 0 | 1 |
| Updates | 154,042 | 0.091 | 0.288 | 0 | 1 |
| Video Pitch | 154,042 | 0.719 | 0.450 | 0 | 1 |
| Word Count | 154,042 | 432 | 437 | 0 | 24,494 |
| Gender | 154,042 | 0.282 | 0.450 | 0 | 1 |
| **Panel B: Second Stage** | | | | | |
| ***Dependent Variable:*** | | | | | |
| Subsequent Relaunch | 23,457 | 0.304 | 0.460 | 0 | 1 |
| ***Independent Variables:*** | | | | | |
| Getting Credit Score | 23,457 | 92.501 | 7.014 | 40 | 100 |
| Resolving Insolvency Score | 23,457 | 89.686 | 4.607 | 25.50 | 91.90 |
| Minority Investors Protection Score | 23,457 | 78.693 | 6.468 | 30.00 | 96.70 |
| ***Country-Level Controls:*** | | | | | |
| Starting a Business Score | 23,457 | 91.243 | 1.889 | 63.70 | 100 |
| Gross Domestic Product (in $US) | 23,457 | 1.53 $e^{13}$ | 5.24 $e^{12}$ | 9.10 $e^{10}$ | 1.87 $e^{13}$ |
| Unemployment Rate (in %) | 23,457 | 6.582 | 1.622 | 3.100 | 26.537 |
| ***Entrepreneur-specific Variables:*** | | | | | |
| Current Outcome | 23,457 | 0.448 | 0.497 | 0 | 1 |
| Comments | 23,457 | 0.205 | 0.404 | 0 | 1 |
| Updates | 23,457 | 0.190 | 0.393 | 0 | 1 |
| Video Pitch | 23,457 | 0.770 | 0.421 | 0 | 1 |
| Word Count | 23,457 | 515 | 515 | 0 | 32,802 |
| Gender | 23,457 | 0.205 | 0.445 | 0 | 1 |

In terms of our independent variables, on average, serial entrepreneurs come from locations with better access to credit (92.501 vs 91.904), better resolving insolvency policies (89.686 vs 89.232), and relatively poorer protection for minority investors (78.693 vs 79.001). Further, on average, entrepreneurs who have relaunched a campaign on the platform enjoy better fundraising performance with higher success rates (44.8 % vs 32.0 %) and more campaign engagements (*Comments*: 20.5 % vs 7.1 %, *Updates*: 19.0 % vs 9.1 %). We also observe an underrepresentation of females in subsequent crowdfunding attempts (20.5 % vs 28.2 %). All the differences in means are statistically significant at the 1 %, indicating the significant differences between novice and serial crowdfunding campaigns. This further emphasizes the need to differentiate between initial relaunches and subsequent (serial) relaunches.

Next, Table 4 presents the correlation matrix and the VIF scores. The unconditional correlations of the variables included in this analysis are not alarming. The VIFs range between 1.02 and 4.39, with an average of 2.02. These figures are well below the thresholds established in the literature (Hair et al., 2010; McDonald and Moffitt, 1980). Hence, multicollinearity issues are not a serious concern in the study.

### 5.2. Effects of institutional factors on initial and subsequent relaunching activity

To test our hypotheses, we conduct a multi-level mixed effects estimation model. Specifically, we investigate the effects of variables related to both levels of analysis: the entrepreneur and the country where the entrepreneur is located. The results of the multi-level mixed effects logistic regression model appear in Table 5.

In Column (1), we control for the entrepreneur-specific variables to analyze their effects on novice serial crowdfunding. We observe that entrepreneurs who have successfully acquired their required capital are less likely to return to the platform in the future. This indicates that crowdfunding could be serving entrepreneurs who initially had restricted access to capital. However, once the entrepreneur has launched a venture and can show a proven track record, other sources of capital are tapped to finance her future ventures. Interestingly, if the entrepreneur had developed a community on the platform through high engagement with potential backers (*Comments* and *Updates*), she would be more likely to return to the platform to finance future ventures. We also find that females are less likely to relaunch a campaign on the crowdfunding platform, supporting past research (e.g., Kuppuswamy and Mollick, 2016).

In Column (2), we introduce country-level controls associated with business formation rates. The ease of starting a business is negatively associated with entrepreneurs' tapping crowdfunding to secure funds for their projects. Higher levels of gross domestic product that drive business formation rates are also positively associated with initially relaunching a campaign on the crowdfunding platform. The same holds for unemployment rates, where higher rates increase the supply of necessity entrepreneurs.

In Column (3), we introduce our business-credit proxies (*Getting Credit Score*, *Minority Investors Protection Score, and Resolving Insolvency Score*) to the model already presented in Column (2). As hypothesized, we find that entrepreneurs consider traditional financing options and crowdfunding as funding sources for their projects. When local access to credit is high, novice entrepreneurs are less likely to relaunch a campaign on the crowdfunding platform. Specifically, a one standard deviation increase in the getting credit score decreases the probability of relaunch by 0.44 %. These results signal a substitution effect between these lending approaches.

From Column (3), we also observe that bankruptcy laws (*Resolving Insolvency Score*) that relate to an entrepreneur's ability to close a failed venture and engage in serial crowdfunding, discourage novice serial crowdfunding. We note that a one standard deviation increase in the

**Table 4**
Correlation matrix and VIFs.

| | Variables | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) | VIF |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| (1) | Initial Relaunch | 1 | | | | | | | | | | | | | | DV |
| (2) | Subsequent Relaunch [b] | – | 1 | | | | | | | | | | | | | DV |
| (3) | Getting Credit Score | 0.032[a] | 0.033[a] | 1 | | | | | | | | | | | | 1.43 |
| (4) | Resolving Insolvency Score | 0.020[a] | 0.027[a] | 0.497[a] | 1 | | | | | | | | | | | 3.90 |
| (5) | Minority Investors Protection Score | 0.078[a] | 0.117[a] | 0.342[a] | 0.344[a] | 1 | | | | | | | | | | 2.06 |
| (6) | Starting a Business Score | −0.017[a] | −0.036[a] | 0.131[a] | 0.014[a] | 0.226[a] | 1 | | | | | | | | | 1.76 |
| (7) | Gross Domestic Product | −0.023[a] | −0.031[a] | 0.444[a] | 0.687[a] | 0.054[a] | 0.388[a] | 1 | | | | | | | | 4.39 |
| (8) | Unemployment Rate | 0.119[a] | 0.149[a] | −0.114[a] | −0.062[a] | 0.440[a] | −0.076[a] | −0.347[a] | 1 | | | | | | | 1.64 |
| (9) | Current Outcome | 0.015[a] | 0.109[a] | 0.043[a] | 0.044[a] | 0.079[a] | −0.020[a] | −0.007 | 0.083[a] | 1 | | | | | | 1.67 |
| (10) | Comments | 0.092[a] | 0.220[a] | 0.000 | −0.005 | 0.008 | −0.003 | −0.003 | −0 | 0.341[a] | 1 | | | | | 2.54 |
| (11) | Updates | 0.109[a] | 0.213[a] | 0.025[a] | 0.019[a] | 0.058[a] | −0.013[a] | −0.003 | 0.052[a] | 0.411[a] | 0.469[a] | 1 | | | | 1.57 |
| (12) | Video Pitch | 0.021[a] | 0.021 | 0.048[a] | 0.052[a] | 0.119[a] | −0.032[a] | −0.021[a] | 0.137[a] | 0.268[a] | 0.135[a] | 0.157[a] | 1 | | | 1.13 |
| (13) | Word Count | 0.040[a] | 0.086[a] | 0.040[a] | 0.001 | 0.113[a] | −0.026[a] | −0.028[a] | 0.127[a] | 0.158[a] | 0.136[a] | 0.162[a] | 0.184[a] | 1 | | 1.10 |
| (14) | Gender | −0.044[a] | −0.072[a] | 0.006 | 0.005 | 0.011[a] | −0.005 | −0.003 | 0.012[a] | 0.083[a] | −0.054[a] | −0.009[a] | 0.004 | 0.000 | 1 | 1.02 |

[a] *Shows significance at the 0.1 % level.*
[b] *Variable is not available in the first stage analysis.*

resolving insolvency score reduces the probability of relaunch by 2.04 %. This further suggests a substitution effect between launching a venture using traditional financing methods (e.g., VC) and launching through crowdfunding. When the cost of resolving insolvency is low, there is less need to validate an idea through launching a crowdfunding campaign. However, the association between minority investors' protection policies and becoming a serial crowdfunder is not significant. Overall, the data presented in Column (3) of Table 5 support hypotheses 1a and 3a.

Earlier, we argued that entrepreneurs raising funds using crowdfunding platforms from global backers will factor their local formal institutions when making decisions to reuse the crowdfunding platform and that the degree of incorporation of local formal institutions differs given launching history on the platform. Specifically, we argued that once an entrepreneur had established a preference for the platform and had become a serial crowdfunder, the effect of ease of access to local credit would be less relevant, while minority investors' protection laws and resolving insolvency procedures would become more relevant. In Table 6, we present the analysis related to serial crowdfunders' relaunches. As predicted, we find that the effect of local access to credit becomes less relevant once the entrepreneur becomes a serial crowdfunder on the platform. This is indicated by the insignificant association between getting a credit score and subsequent relaunches displayed in Column (3); this supports hypothesis 1b. The results also show that serial entrepreneurs now weigh minority investors' protection policies in their relaunching decisions, although these policies were not associated with the initial relaunch decision. A one standard deviation increase in the minority investor protection score is associated with a 2.63 % increase in the probability of relaunching via crowdfunding. These results support hypothesis 2b even though hypothesis 2a was not supported. Further, serial crowdfunders continue to weigh resolving insolvency procedures in their decision to engage in serial crowdfunding. A one standard deviation increase in the resolving insolvency score is associated with a 3.87 % increase in the probability of subsequently relaunching. This effect is stronger than the case of initial relaunching where we documented a 2.04 % increase. This supports our arguments that as the crowd validation benefit diminishes, the negative association between ease of resolving insolvency relaunching is amplified. Overall, the results support hypothesis 3b, indicating that the decision to continue engaging in serial crowdfunding is not associated with the ease of accessing credit but driven by minority investors' protection and resolving insolvency policies.

### 5.3. Robustness checks

We also conducted several checks to validate the robustness of our results. First, although we controlled for selection bias using Heckman correction, we repeated the second stage of the analysis using a panel multi-level logistic regression model. The results, which appear in Table 7, support the findings reported earlier.

Second, a potential concern is our sample's representation of developing vs. developed countries. Table 1 shows that despite a prevalence of European Union countries in our sample, there is substantial variability in the scores across our three key dimensions, even within the same developed region. For instance, in the 'Getting Credit' dimension, the Netherlands scores 44.8, whereas Germany scores significantly higher at 72.2, and Mexico, a non-EU country, surpasses both with a score of 76.9. Similarly, in the 'Minority Investors Protection' dimension, South Africa's score of 80 outperforms most EU countries, including those traditionally seen as more developed. This variability suggests that our findings are driven by the specific dimensions we have analyzed, rather than by an overarching developed versus developing country framework. To further validate the robustness of our results, we repeat all our analysis while incorporating a dummy variable labeled *Developing* which takes the value 1 if the entrepreneur is from a developing country and 0 otherwise. Our main results continue to hold as

**Table 5**
Multi-level logistic regression model.

| Independent Variables | Dependent Variable: Initial Relaunch | | | | | |
|---|---|---|---|---|---|---|
| | (1) | | (2) | | (3) | |
| | *β* | *s.e.* | *β* | *s.e.* | *β* | *s.e.* |
| ***Business-Credit Proxies*** | | | | | | |
| Getting Credit Score | | | | | −0.6271** | (0.3008) |
| Minority Investors Protection Score | | | | | −0.0929 | (0.2625) |
| Resolving Insolvency Score | | | | | −5.0391*** | (0.8214) |
| ***Country-Level Controls*** | | | | | | |
| Starting a Business Score | | | −6.5544*** | (1.5533) | −5.6266*** | (1.7366) |
| Gross Domestic Product | | | 1.5661*** | (0.2776) | 2.1573*** | (0.2820) |
| Unemployment Rate | | | 2.9294*** | (0.0875) | 3.1144*** | (0.1078) |
| ***Entrepreneur-Specific Controls*** | | | | | | |
| Current Outcome | −0.3377*** | (0.0226) | −0.3534*** | (0.0228) | −0.3546*** | (0.0228) |
| Comments | 0.4863*** | (0.0322) | 0.4506*** | (0.0327) | 0.4503*** | (0.0327) |
| Updates | 0.8220*** | (0.0295) | 0.7975*** | (0.0299) | 0.7974*** | (0.0299) |
| Video Pitch | −0.0227 | (0.0206) | −0.1329*** | (0.0208) | −0.1339*** | (0.0208) |
| Word Count | 0.0459*** | (0.0056) | 0.0057 | (0.0058) | 0.0048 | (0.0058) |
| Gender | −0.2623*** | (0.0205) | −0.2587*** | (0.0207) | −0.2595*** | (0.0207) |
| Industry Dummies | Yes | | Yes | | Yes | |
| Observations | 154,042 | | 154,042 | | 154,042 | |
| Countries | 25 | | 25 | | 25 | |
| *ICC* | 1.24 % | | 42.77 % | | 44.15 % | |
| *AIC* | 100,913.90 | | 97,896.99 | | 97,861.15 | |
| *BIC* | 101,132.70 | | 98,145.61 | | 98,139.61 | |

*$p < 0.10$, **$p < 0.05$, ***$p < 0.01$.

**Table 6**
Multi-level logistic regression model (with Heckman correction).

| Independent Variables | Dependent Variable: Subsequent Relaunch | | | | | |
|---|---|---|---|---|---|---|
| | (1) | | (2) | | (3) | |
| | *β* | *s.e.* | *β* | *s.e.* | *β* | *s.e.* |
| ***Business-Credit Proxies*** | | | | | | |
| Getting Credit Score | | | | | −0.4134 | (0.5460) |
| Minority Investors Protection Score | | | | | 2.3342*** | (0.4587) |
| Resolving Insolvency Score | | | | | −4.9342*** | (1.5794) |
| ***Country-Level Controls*** | | | | | | |
| Starting a Business Score | | | −11.4505* | (2.4997) | −14.7074* | (2.9786) |
| Gross Domestic Product | | | 1.7969*** | (0.4214) | 2.6835*** | (0.5064) |
| Unemployment Rate | | | 3.6209*** | (0.1409) | 3.2313*** | (0.2038) |
| ***Entrepreneur-Specific Controls*** | | | | | | |
| Current Outcome | −0.1306** | (0.0396) | −0.0125* | (0.0410) | −0.0064 | (0.0410) |
| Comments | 0.1557*** | (0.0505) | 0.1749*** | (0.0522) | 0.1764*** | (0.0523) |
| Updates | 0.5906*** | (0.0467) | 0.4316*** | (0.0485) | 0.4137*** | (0.0487) |
| Video Pitch | −0.1819*** | (0.0398) | −0.1816** | (0.0411) | −0.1857** | (0.0412) |
| Word Count | 0.0499** | (0.0094) | 0.0058 | (0.0100) | 0.0016 | (0.0100) |
| Gender | −0.0617 | (0.0425) | −0.0328 | (0.0438) | −0.0343 | (0.0438) |
| Inverse Mills Ratio (IMR) | Yes | | Yes | | Yes | |
| Industry Dummies | Yes | | Yes | | Yes | |
| Observations | 23,457 | | 23,457 | | 23,457 | |
| Countries | 25 | | 25 | | 25 | |
| *ICC* | 0.74 % | | 40.40 % | | 52.50 % | |
| *AIC* | 24,498.7 | | 23,178.6 | | 23,143.6 | |
| *BIC* | 24,683.2 | | 23,387.2 | | 23,376.3 | |

*$p < 0.10$, **$p < 0.05$, ***$p < 0.01$.

reported in Tables 8 and 9. The consistency of the results suggests that our observed effects are genuinely linked to the variables of interest and are not artifacts of varying development levels among the countries studied.

Third, as an alternative approach, we repeated the analyses presented in Tables 5 and 6 using a logistic regression model and a panel logistic regression model. To do so, we included country fixed effects and clustered the standard errors at the country level. The main results continue to hold. Fourth, we repeated our analysis using observations from all countries in our sample (179,886 projects launched in 138

**Table 7**
Robustness check: Panel multi-level logistic regression model.

| Independent Variables | Dependent Variable: Subsequent Relaunch | | | | | |
|---|---|---|---|---|---|---|
| | (1) | | (2) | | (3) | |
| | *β* | *s.e.* | *β* | *s.e.* | *β* | *s.e.* |
| ***Business-Credit Proxies*** | | | | | | |
| Getting Credit Score | | | | | −0.5893 | (0.6749) |
| Minority Investors Protection Score | | | | | 2.8351*** | (0.5615) |
| Resolving Insolvency Score | | | | | −6.3025*** | (1.9416) |
| ***Country-Level Controls*** | | | | | | |
| Starting a Business Score | | | −14.8978*** | (3.1092) | −18.6496*** | (3.6737) |
| Gross Domestic Product | | | 2.3203*** | (0.5291) | 3.4578*** | (0.6320) |
| Unemployment Rate | | | 4.6237*** | (0.1950) | 4.1492*** | (0.2675) |
| ***Entrepreneur-Specific Controls*** | | | | | | |
| Current Outcome | −0.0424*** | (0.0079) | −0.0362*** | (0.0087) | −0.0385*** | (0.0087) |
| Comments | 0.1626*** | (0.0136) | 0.2382*** | (0.0150) | 0.2429*** | (0.0151) |
| Updates | −0.1311*** | (0.0494) | −0.0952* | (0.0537) | −0.0857 | (0.0538) |
| Video Pitch | 0.2127*** | (0.0638) | 0.1758** | (0.0698) | 0.1745** | (0.0699) |
| Word Count | 0.8294*** | (0.0554) | 0.7227*** | (0.0608) | 0.7042*** | (0.0610) |
| Gender | −0.1709*** | (0.0479) | −0.2038*** | (0.0527) | −0.2090*** | (0.0528) |
| Industry Dummies | Yes | | Yes | | Yes | |
| Observations | 23,457 | | 23,457 | | 23,457 | |
| Countries | 25 | | 25 | | 25 | |
| *ICC* | 14.77 % | | 40.97 % | | 61.01 % | |
| *AIC* | 24,978.3 | | 24,073.8 | | 24,058.7 | |
| *BIC* | 25,178.2 | | 24,297.8 | | 24,306.6 | |

*$p < 0.10$, **$p < 0.05$, ***$p < 0.01$.

**Table 8**
Robustness check: Multi-level logistic regression model.

| Independent Variables | Dependent Variable: Initial Relaunch | | | | | |
|---|---|---|---|---|---|---|
| | (1) | | (2) | | (3) | |
| | *β* | *s.e.* | *β* | *s.e.* | *β* | *s.e.* |
| ***Business-Credit Proxies*** | | | | | | |
| Getting Credit Score | | | | | −0.7396*** | (0.2634) |
| Minority Investors Protection Score | | | | | 0.0708 | (0.2330) |
| Resolving Insolvency Score | | | | | −4.3190*** | (0.7650) |
| ***Country-Level Controls*** | | | | | | |
| Starting a Business Score | | | −4.0132*** | (1.4671) | −4.3200*** | (1.6496) |
| Gross Domestic Product | | | 1.0664*** | (0.2576) | 1.6724*** | (0.2676) |
| Unemployment Rate | | | 2.4404*** | (0.0799) | 2.5913*** | (0.0995) |
| Developing | | | 0.4892 | (0.7993) | 0.3258 | (0.8441) |
| ***Entrepreneur-Specific Controls*** | | | | | | |
| Current Outcome | −0.3377*** | (0.0226) | −0.3464*** | (0.0206) | −0.3572*** | (0.0206) |
| Comments | 0.4863*** | (0.0322) | 0.4138*** | (0.0305) | 0.4134*** | (0.0305) |
| Updates | 0.8220*** | (0.0295) | 0.7142*** | (0.0278) | 0.7135*** | (0.0278) |
| Video Pitch | −0.0227 | (0.0206) | −0.1661*** | (0.0186) | −0.1678*** | (0.0186) |
| Word Count | 0.0459*** | (0.0056) | 0.0062 | (0.0051) | 0.0051 | (0.0051) |
| Gender | −0.2623*** | (0.0205) | −0.2474*** | (0.0186) | −0.2480*** | (0.0186) |
| Industry Dummies | Yes | | Yes | | Yes | |
| Observations | 154,042 | | 154,042 | | 154,042 | |
| Countries | 25 | | 25 | | 25 | |

*$p < 0.10$, **$p < 0.05$, ***$p < 0.01$.

countries). The results were consistent with those presented earlier. Fifth, given that a large number of campaigns are launched in the United States, and this could bias our analysis, we dropped observations by entrepreneurs located in the US and repeated the original analyses. We obtained similar results to those reported earlier. Sixth, we replaced current campaign outcome with platform-specific social capital controls obtaining similar results. Still, because of the high correlations between platform-specific human and current outcome, we could not run our models with both proxies simultaneously. Finally, we controlled for possible biases because of outliers. We winsorized the continuous variables in our model at the 1st and 99th percentile. In another approach, we trimmed the data at the 1st and 99th percentile to remove the extreme values from the estimation model. The results from both treatments were consistent with the outcomes of our main model. Overall, our robustness checks improved our confidence in the results presented in our main analyses.

**Table 9**
Robustness check: Multi-level logistic regression model (with Heckman correction).

| Independent Variables | Dependent Variable: Subsequent Relaunch | | | | | |
|---|---|---|---|---|---|---|
| | (1) | | (2) | | (3) | |
| | *β* | *s.e.* | *β* | *s.e.* | *β* | *s.e.* |
| ***Business-Credit Proxies*** | | | | | | |
| Getting Credit Score | | | | | 0.1496 | (0.6163) |
| Minority Investors Protection Score | | | | | 2.4092*** | (0.5507) |
| Resolving Insolvency Score | | | | | −4.8822*** | (1.5923) |
| ***Country-Level Controls*** | | | | | | |
| Starting a Business Score | | | −11.7251*** | (3.0415) | −13.0527*** | (3.2774) |
| Gross Domestic Product | | | 1.1480** | (0.4921) | 2.0355*** | (0.6299) |
| Unemployment Rate | | | 3.1748*** | (0.1694) | 2.8204*** | (0.2457) |
| Developing | | | −1.1201 | (1.1823) | −0.9983 | (1.1715) |
| ***Entrepreneur-Specific Controls*** | | | | | | |
| Current Outcome | −0.1306** | (0.0396) | −0.0768 | (0.0509) | −0.0747 | (0.0509) |
| Comments | 0.1557*** | (0.0505) | 0.2951*** | (0.0669) | 0.2936*** | (0.0670) |
| Updates | 0.5906*** | (0.0467) | 0.4977*** | (0.0624) | 0.4879*** | (0.0625) |
| Video Pitch | −0.1819*** | (0.0398) | −0.1601*** | (0.0504) | −0.1667*** | (0.0504) |
| Word Count | 0.0499** | (0.0094) | 0.0043 | (0.0129) | −0.0006 | (0.0129) |
| Gender | −0.0617*** | (0.0425) | −0.1297** | (0.0537) | −0.1270** | (0.0537) |
| Inverse Mills Ratio (IMR) | Yes | | Yes | | Yes | |
| Industry Dummies | Yes | | Yes | | Yes | |
| Observations | 23,457 | | 23,457 | | 23,457 | |
| Countries | 25 | | 25 | | 25 | |

*$p < 0.10$, **$p < 0.05$, ***$p < 0.01$.

## 6. Discussion and conclusion

In this study, we have examined the local formal institutional determinants of venture launching using reward-based crowdfunding on international platforms. We have also compared the effects of these determinants on novice vs. serial crowdfunders. Applying the institutional perspective (North, 1990; Scott, 1995), we have proposed that entrepreneurs will consider traditional financing (e.g., banks) and non-traditional (e.g., crowdfunding) alternatives as substitutes (Berger and Schaeck, 2011; Harrison et al., 2016; Walthoff-Borm et al., 2018). However, when formal institutions foster venture-launching activity by making access to traditional funding sources (e.g., banks and VC) less restrictive, crowdfunding loses its value proposition. As a result, entrepreneurs would be less likely to launch their ventures serially using international crowdfunding platforms. This is particularly true when the institutional setting is highly different in developing countries as compared to developed ones (Audretsch et al., 2024; Urbano et al., 2019).

Our results suggest three key findings. First, as hypothesized, we find that the ease of access to credit in the local business environment (e.g., banks, VCs, and angel investors) deter the entrepreneur from initially relaunching a crowdfunding campaign. However, once the entrepreneur has relaunched a crowdfunding campaign and shown a preference for this financing mechanism, local credit market conditions become less salient in the entrepreneur's decision to engage in serial crowdfunding. Second, initially, entrepreneurs do not consider minority investors' protection policies when making the decision to relaunch a crowdfunding campaign. However, these policies are significantly associated with subsequent campaign relaunches. This finding supports the notion that entrepreneurs avoid strict minority investors' protection policies through launching campaigns on unregulated reward-based crowdfunding platforms, where accountability is low (Blaseg et al., 2020). However, these policies are not associated with an entrepreneur's initial relaunch decision because with limited access to private capital from minority investors these policies become irrelevant. Third, and finally, entrepreneurs weigh the cost of resolving insolvency in their decision to relaunch a crowdfunding campaign. Lower costs of resolving insolvency, when using traditional funding approaches, reduce the need for 'testing the waters' and is associated with a reduction in the likelihood of relaunching a crowdfunding campaign. This effect is amplified *after* the entrepreneur becomes a serial crowdfunder since the crowd validation benefit of crowdfunding becomes less valuable with experience.

### 6.1. Theoretical implications

Our results contribute to research on the role of formal institutions, crowdfunding on international platforms, and serial entrepreneurship, as we discuss next.

*The Role of Local Formal Institutions*. The institutional perspective (North, 1990, 2005; Scott, 1995) has been instrumental in entrepreneurship research, explaining how entrepreneurs become embedded within their broader economic and regulatory environments (Foss et al., 2019; Li and Zahra, 2012). Prior studies have established that formal institutions significantly influence entrepreneurial activity across different stages, from intentions to growth (Webb et al., 2020; Urbano et al., 2019). However, these studies have primarily focused on the general entrepreneurial population, overlooking the specific case of serial entrepreneurs. This gap is notable given the economic importance of serial entrepreneurs, who are more likely to scale their ventures successfully (Parker, 2013; Zhang, 2011). Our study enriches this literature by demonstrating that formal institutional factors not only shape initial entrepreneurial decisions but also continue to influence serial entrepreneurs as they pursue subsequent ventures.

Our research overcomes a limitation of prior research which has largely been constrained by a lack of cross-country longitudinal data, limiting scholars' ability to investigate institutional effects over time. Crowdfunding data have been used to gauge regional entrepreneurial activity (e.g., Burtch et al., 2018) and scholars have turned to serial crowdfunders to make inferences about serial entrepreneurs. The advantage of using crowdfunding data to analyze serial launching activity is that it gives us an opportunity to observe entrepreneurial pursuits that culminate into business ventures as well as pursuits that fail to raise the requested capital to launch (Li and Martin, 2019; Sewaid et al., 2021b) under different formal institutional conditions. Our study is one of the first attempts to establish such a link between institutional factors and venture relaunching activity, in general, and crowdfunding

launching activity, in particular.

Our findings show that formal institutions not only influence entry into entrepreneurship (Aparicio et al., 2021; Bjørnskov and Foss, 2016; Chowdhury et al., 2019) but also play a crucial role in determining whether entrepreneurs relaunch ventures. Specifically, we find that access to credit and resolving insolvency policies significantly impact novice entrepreneurs' relaunch decisions, reinforcing the notion that crowdfunding serves as a financing alternative for those who lack access to traditional capital. However, minority investor protection policies do not appear to influence initial relaunching decisions, likely because novice entrepreneurs have not yet built a track record that would enable them to attract private investors.

Our findings refine prior research, which has predominantly focused on formal institutions' role in facilitating initial entrepreneurship but has overlooked their differential effects across entrepreneurial experience levels (Cumming et al., 2025). As entrepreneurs transition into serial crowdfunding, access to credit becomes less relevant, while the importance of minority investor protection laws grows. Our findings suggest that institutional mechanisms governing investor relationships become increasingly pertinent as entrepreneurs develop multiple ventures and seek external funding.

*Crowdfunding on International Platforms*. Our study also contributes to the growing body of research on crowdfunding by highlighting the institutional determinants of campaign launching activity. Prior studies have focused on factors influencing campaign success (Di Pietro and Butticè, 2020) but have largely neglected the role of institutional environments in shaping crowdfunding participation. Our findings suggest that institutional frameworks governing traditional venture financing have a substitution effect on crowdfunding activity, supporting the notion that entrepreneurs turn to crowdfunding when formal financial institutions are restrictive (Cumming and Johan, 2017; Vismara, 2018).

Our research examines how entrepreneurs' reliance on international crowdfunding platforms is shaped by their home country's institutional landscape, unlike previous studies that primarily explore the supply-side determinants of local crowdfunding platforms (Di Pietro and Butticè, 2020), Our results demonstrate that formal institutions influence entrepreneurs' decisions to launch campaigns on these global platforms, particularly in contexts where local financing options are constrained. This finding extends existing research by illustrating how regulatory environments interact with entrepreneurial financing decisions in an international context, shedding light on the institutional dynamics that shape crowdfunding beyond national boundaries.

*Serial Entrepreneurship*. The study of serial entrepreneurship has gained prominence since the foundational work of Wright et al. (1997). Given their disproportionate economic impact, serial entrepreneurs have been extensively studied, with prior research showing that they outperform novice entrepreneurs in venture performance (Hsu, 2007; Parker, 2013; Zhang, 2011). However, much of the existing literature has focused on individual-level determinants of serial entrepreneurship (Nielsen and Sarasvathy, 2016; Carbonara et al., 2020), often overlooking institutional influences.

Our study addresses this gap by demonstrating that formal institutional factors play a critical role in serial entrepreneurs' decisions to relaunch crowdfunding campaigns. While prior research has noted that serial entrepreneurs benefit from accumulated knowledge and experience (Hoskisson et al., 2010), we show that they also respond to institutional incentives and constraints. Specifically, our findings indicate that as entrepreneurs gain experience, access to credit becomes a less significant determinant of relaunching, whereas the importance of investor protection laws grows. This suggests that serial entrepreneurs may shift their financing strategies over time, relying less on alternative financing mechanisms such as crowdfunding and more on formal investment channels.

Our results also highlight the continued importance of resolving insolvency policies for serial entrepreneurs, with a stronger effect observed in later stages of crowdfunding activity. This finding improves our understanding of serial entrepreneurship by demonstrating that institutional constraints related to business failure remain relevant even for experienced entrepreneurs. It suggests that institutional environments do not only influence initial entry into entrepreneurship but also shape long-term entrepreneurial trajectories, affecting the sustainability and growth of serial entrepreneurial ventures.

### 6.2. Policy implications

For policymakers across developed and developing countries, our results underscore the importance of local formal institutions in fostering serial entrepreneurial activity. These institutions encourage entry into entrepreneurship and enable entrepreneurs to relaunch ventures serially. The policies that institutions enact clearly make a major difference in entrepreneurs' decisions, making some learning outcomes applicable to emerging economies. Thus, even if local policymakers are constrained and local capital supply is low, public policies should seek to facilitate access to international capital (i.e., international crowdfunding platforms). This observation supports Cumming et al.'s (2018) call for public policies that open different funding possibilities for entrepreneurs. For example, when local resources in developing countries are insufficient to spur entrepreneurial activity, local policymakers should provide incentives to entrepreneurs to use international crowdfunding platforms as their financing and launching mechanism. This would enable entrepreneurs to gain access to cross-border capital and facilitate pre-launch crowd validation of the project, reducing the costs associated with failure after launch. To this end, policymakers also need to devise plans that increase the chances of success in these entrepreneurs' capital acquisitions. For instance, offering training workshops could help entrepreneurs in successfully acquiring the required capital when launching a crowdfunding campaign. Further, publicly sponsoring entrepreneurs can also increase the public's trust in their projects.

The results also suggest that women are less likely to use international crowdfunding platforms. This is surprising given that the literature indicates that women's access to more traditional forms of funding is difficult (Franzke et al., 2022). Therefore, public policymakers need to develop a greater understanding of the factors that limit women's access to crowdfunding platforms and design policies that encourage their greater participation, helping them to avert local challenges in financing their projects. Further, policymakers could partner with crowdfunding platforms to provide dedicated funds or grants specifically targeted toward female entrepreneurs and first-time campaigners, thereby lowering the initial barriers to entry and enhancing inclusivity.

### 6.3. Managerial implications

Our results also highlight that entrepreneurs can bypass local institutional constraints by launching their ventures using international crowdfunding platforms. These platforms offer the possibility for entrepreneurs to raise capital beyond that available locally by tapping backers globally (Cumming et al; 2021). Thus, entrepreneurs may no longer be constrained by norms as they raise capital. Further, entrepreneurs needing capital beyond what is available locally can use international platforms by projecting local community support on these platforms to attract cross-border backers (Agrawal et al., 2016; Zahoor et al., 2023).

Our research also suggests that crowdfunding platforms do not operate in a vacuum and that local formal institutions affect entrepreneurs' decisions to launch their crowdfunding campaigns (Dilli et al., 2018). The results show that the adoption rates of campaign relaunching activity are higher in the contexts with weaker financial institutions (i.e., are more restrictive access to credit and more complex resolving insolvency processes). Hence, international crowdfunding platforms may be more beneficial to expand their reach in these areas as they offer a substitute for local traditional financing mechanisms. To support first-time entrepreneurs from regions with weaker financial institutions,

platforms can introduce tailored onboarding programs, including educational resources, personalized campaign coaching, and reduced platform fees for initial campaigns.

Further, we note that serial crowdfunders weigh local credit market conditions in their decision to launch a crowdfunding campaign. As a result, crowdfunding platforms are essentially competing with traditional financing alternatives (Cumming et al., 2021). Further, access to alternative forms of financing is easier for serial crowdfunders because of their established track-records on the platform. Finally, there is a need to retain serial crowdfunders on the platform by offering more attractive fee structures and benefits that extend beyond what other alternative forms of financing offer. Platforms could implement loyalty programs, tiered fee reductions based on campaign volume or funds raised, and special visibility incentives for repeat entrepreneurs, further encouraging sustained platform engagement.

### 6.4. Limitations and avenues for future research

Our study has some limitations that also suggest several promising avenues for future research. For example, although our analyses capture some unobservable characteristics at the industry-level by our use of industry fixed effects, future researchers may consider a broader set of industry indicators (e.g., competition and market consolidation, capital intensity) to examine their effects on entry into entrepreneurship and subsequent relaunching decisions. Our study has also focused on a select set of local formal institutions. Future researchers can complement our study by expanding the measures of these institutions and examining how they interact over time, affecting relaunching decisions. Some of the countries in our sample are undergoing institutional change and it would be useful to study the effect of these changes on relaunching decisions. Informal institutions (e.g., national and regional cultures) play a key role in determining rates of entrepreneurship and success of entrepreneurial ventures (Li and Zahra, 2012). While some studies have found evidence about cultural values and risk perception as drivers of crowdfunding (cf., Di Pietro and Butticè, 2020), a deeper analysis is still needed, especially when it comes to novice vs. serial entrepreneurs. Given that we did not study these institutions, future studies need to explore the role of these informal institutions, and their interaction with formal ones, in affecting individual crowdfunding adoption rates, particularly for the cross-country comparison between initial and subsequent launch campaigns. This would align well with Williamson's (2000) theoretical insights, which could be applied to the comprehension of entrepreneurial behavior in crowdfunding platforms.

Recently, some researchers have noted the need to broaden our definition of context when studying entrepreneurship (Stenholm et al., 2013). Therefore, future research can build on Welter's (2011) ideas about space, history, and time as additional aspects complementing the institutional and social (e.g., national culture and trust) contexts. Using these dimensions, future researchers can explore entrepreneurs' use of crowdfunding platforms, and most importantly the re-use of this funding alternative. Such analyses, especially when conducted using longitudinal design, can help to capture the dynamism of entrepreneurs' decisions and the factors driving them. Such dynamic analyses can also offer important insights into trust building processes on platforms enabling entrepreneurs to consider crowdfunding as a means of fund raising and internationalize their products (Lew et al., 2023).

Finally, our analyses have also relied on data from the leading global reward-based crowdfunding platform (Kickstarter). However, entrepreneurs could be navigating multiple platforms sequentially. Some entrepreneurs could be turning to different crowdfunding platforms as their launching preference. Therefore, future research could validate our findings using a cross-platform analysis. Analyses along these lines would also determine if differences exist in entrepreneurs' decisions to relaunch their campaigns using specific platforms. This would also lead to a deeper exploration of nuances related to the transition between initial and subsequent campaign. In our case, we are only able to capture both stages, but not the willingness of novice entrepreneurs to continue using crowdfunding as a tool to leverage funding. Intention models *a la* Shapero (1984) and Shapero and Sokol (1982), while extensively used in entrepreneurship research, could serve to bring new insights into the analysis of crowdfunding.

### 6.5. Conclusion

In this study, we have analyzed the local formal institutional drivers of relaunching activity on international crowdfunding platforms across developed and developing countries. Combining data from the leading reward-based crowdfunding platform Kickstarter with data from the World Bank, we find that local formal institutions affect relaunching activity on crowdfunding platforms. Specifically, novice entrepreneurs usually factor local formal institutions (e.g., access to credit and resolving insolvency) in their decisions to, initially, relaunch a campaign on the crowdfunding platform. The effects of minority investors' protection policies and resolving insolvency laws are amplified for serial entrepreneurs. Our results also underscore the important role of international crowdfunding platforms in facilitating serial entrepreneurial activity. Our study is one of the first to examine the formal institutional drivers of cross-country serial campaign launching activity, paving the way for future investigations of the relationship between institutional factors (both formal and informal) and different facets of crowdfunding activity.

## CRediT authorship contribution statement

**Ahmed Sewaid:** Writing – original draft, Investigation, Conceptualization, Writing – review & editing, Methodology, Formal analysis. **Shaker A. Zahra:** Writing – original draft, Investigation, Conceptualization, Writing – review & editing, Methodology, Formal analysis. **Sebastian Aparicio:** Writing – original draft, Investigation, Conceptualization, Writing – review & editing, Methodology, Formal analysis.

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## Data availability

Data will be made available on request.

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