Perfect Pitch: Appearance in Entrepreneurial Pitching

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Abstract
We examine the impact of first impressions and entrepreneurial appearance on financing outcomes using a large sample of real investment pitches from a major European startup event. We ask non-investors on Amazon’s MTurk to rate entrepreneurial pitches on three dimensions: the appearance of competence, trustworthiness and attractiveness and test whether these ratings are associated with the probability of a company receiving early-stage investment. Companies run by entrepreneurs who are rated as one-standard-deviation more competent looking are almost 20% more likely to receive funding. The other measures of appearance, such as the appearance of trustworthiness and attractiveness as well as an overall “Perception”-measure (which averages all three ratings) also have some predictive power. All in all, the evidence suggests that first impressions and appearance can lead to improved financing outcomes for startups despite the extensive due diligence that goes into early-stage investments.

JEL Classification: G24, M13
Keywords: Pitching, perceptions of appearance

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INTRODUCTION

Angel investment and venture capital represents a significant source of capital for young companies, especially companies aiming for fast growth. Most of these companies have little to no financial history and some might not even have developed a working prototype of their product. Often, in order to attract capital, entrepreneurs will “pitch,” or give a short presentation about their company/idea, to prospective investors. Pitching, which now frequently takes place in organized settings where multiple investors watch pitch by multiple companies, has become an important practice for startups to attract angel and venture capital investment. For an emerging entrepreneur it is of paramount importance to understand what the characteristics of a successful pitch are, and for angel investors to understand their biases and how these affect their investment decisions.

In this study, we investigate the impact of first impressions on pitch success. Specifically, we study the impact of entrepreneurial appearance on the likelihood of a company receiving funding from venture capitalists or angel investors. In order to obtain a measure of appearance, we ask participants on Amazon’s Mechanical Turk (MTurk) service (who are very unlikely to be angel investors or to have heard of the startups pitching) to rate each entrepreneur’s pitch on three dimensions (following Blankespoor, Hendricks and Miller, 2017): the appearance of competence, trustworthiness and attractiveness. We then test whether this rating is correlated with a firm’s funding outcomes, such as whether the company received any funding, whether the company received “significant” funding and the total amount funded.

We find that the appearance of competence is strongly linked to funding outcomes. A half-unit change in perceptions of competence (which is roughly equal to a one-standard-deviation change) increases the probability of a company receiving funding by slightly less 15% (about 10 percentage points). Trustworthiness and attractiveness are also related to funding, but the
relationship is weaker. A composite measure, which averages all three ratings (similar to Blankespoor et al., 2017) also predicts funding outcomes. This suggests that investors form “holistic” first impressions of entrepreneurs which end up affecting their investment decisions.

Why are early-stage investors, who typically make larger investments, conduct significant due diligence and involve themselves with the management of the company, subject to simple behavioral biases? We hypothesize that the subset of companies that investors even conduct this research on is affected appearance. As investors have limited time and capacity for research, they will conduct quick research such as attending pitching events. If investors have a preference from “better”-looking entrepreneurs, the companies they conduct further research on is biased towards those run by better-looking entrepreneurs. Even if the rest of the investment process is unaffected by appearance, the early bias in screening will lead to more companies run by better-looking entrepreneurs being funded.

The main contribution of our paper is to provide evidence that first impressions and appearance affect early-stage investment decisions. Our unique institutional setting, with real pitches and real investments, means that we are able to estimate the impact of appearance in a setting that would be considered fairly normal for most high-growth startups. As far as we are aware, our paper is the first study to focus on real funding outcomes using a large sample of investment pitches. This is important as it demonstrates that even in after significant due diligence investors end up favoring companies run by more competent-looking entrepreneurs, which may lead to misallocation of scarce early-stage investment. We also contribute to the question of whether early-stage investors care about the “jockey or the horse”, i.e. the team or the idea (Kaplan, Sensoy and Strömberg, 2009 and Bernstein, Korteweg and Laws, 2017): if the appearance of the team affects funding decisions, then the team must play a role, though possibly subconsciously.
Several prior studies have studied the relationship between visible characteristics and entrepreneurial pitching. The closest paper to ours is Huang, Ivkovic, Jiang and Wang (2018), who study the impact of appearance on funding outcomes and appearance using a very similar methodology (MTurk ratings). However, unlike Huang et al. (2018), who use pitches from the reality TV-show *Shark Tank* and commitments to invest from the show\(^1\), we use all available funding data for “real” investment pitches.\(^2\)

Brooks et al. (2014) document that perceptions of attractiveness are correlated with pitch success, but only for males, and Boulton et al. (2017) study the relation between personal characteristics (such as race, age and gender) and success on the TV-show *Shark Tank*. We extend the results of Brooks et al. (2014) in a key way: Brooks et al. (2014) only examine the probability of winning a pitching competition while we study real funding outcomes\(^3\). This is important as the pitching contest is the first stage of the investment decision but some may argue that investors may, after further analysis, screen out the best companies regardless of appearance. In this paper, we show that appearance does matter, even in the final investment decision. We also use multiple measures of perceptions rather than simply attractiveness (7-point Likert scale with three attributes: attractiveness, competence and trustworthiness, in line

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\(^1\) In *Shark Tank*, the “sharks” (investors) agree on investment terms on TV with the entrepreneur, however in reality these terms are often altered or the investment is cancelled after off-screen due diligence (Forbes Magazine (Canal, 2016) interviewed past participants and found that 40% of deals are cancelled and 32% have their terms altered).

\(^2\) This helps us avoid selection bias based on appearance, which makes the magnitude of coefficients difficult to interpret. Another difference is that investment decisions on *Shark Tank* (at least the initial investment decisions) are typically made on the spot whereas investment decisions by real venture capitalists involve both a pitch as well as significant due diligence. *Shark Tank* has also been criticized for being more an advertising opportunity for entrepreneurs than a serious pitch for investment, which once again makes the magnitude of the effect estimated using *Shark Tank* difficult to generalize (Cohen, 2016).

\(^3\) While winning a pitching competition typically results in funding, it is unlikely to be a common source of funding for startups. For instance in our setting, the Slush 100 pitching competition, only one company wins the grand prize, an investment of €50,000–€500,000 but many investors attend the pitches and may invest in other companies that pitch and about 70% of companies in our sample end up receiving some kind of outside equity funding.
with Blankespoor, Hendricks and Miller, 2017) which also allows us to decompose the importance of the various attributes of appearance rather than just attractiveness.

Our sample of firms comes from the Slush startup event, held yearly in Helsinki since 2008. The event has grown from several hundred attendees to over 15,000. Slush features a pitching competition called Slush 100, where 100 entrepreneurs have 2-3 minutes to pitch their startups in front of a jury. While the winner of the competition receives an investment, there are also a significant number of potential investors in the audience and simply participating in the event gives firms an opportunity to reach an audience of investors. The institutional setting is unique in its scale and data availability. We use public data (such as Crunchbase, Funderbeam and Google searches) to match companies with funding outcomes.

Understanding the role of appearance and first impressions in entrepreneurial finance is important for several reasons. First, understanding what the elements and characteristics of a good pitch are enables budding entrepreneurs to secure seed funding for their ventures and in so doing increases the amount of successful ventures and stimulates a flourishing startup ecosystem. Second, is important to understand the potential “distortions” and misallocation of capital that investor preferences can cause – for example, investors favour competent-looking entrepreneurs but does the “look of competence” correlate with actual competence (prior evidence from other contexts, for example Graham, Harvey and Puri, 2016, suggests that it doesn’t)? While we are unable to provide an answer to that question in our setting, we hope that further research can track what happens to these companies years down the line (currently, publicly available data on outcomes is sparse for the companies in our sample).

The next section provides more background information on entrepreneurial pitching and more details on prior research on appearance and finance. The third section provides an overview of the data used and the fourth presents the results.
BACKGROUND

Entrepreneurial Pitching

While most new companies are funded by “friends, family and fools”, the angel investment and venture capital market is a significant source of financing for high growth startups. For investors, this is a challenging context where returns are heavily skewed (Huang and Pearce, 2015). The probability of successful exit from an investment is extremely low while returns from successful companies are very high.

For capital constrained startups, pitching, or presenting a new business idea briefly, typically in less than 10 minutes, to potential investors, is an important practice for securing funding from angel investors or venture capital. Because of the significant number of firms that are looking to raise capital and the limited attention spans of investors, many potential investments will be dismissed quite fast. Hall and Hofer (1993) point out that venture capitalists rely a lot on first impressions when screening out firms as investment targets. A successful pitch is typically a necessary but not sufficient step towards raising capital: they have the goal of arousing investors’ interest, leading them to either requesting a business plan or book a meeting (Clark 2008).

We hypothesize that the impact of appearance on entrepreneurial financing outcomes will come through the pre-selection channel. This means that even though investors spend large amounts of time for every investment they make, these investments are a small subset of all possible investments. If first impressions impact the subset of companies that investors focus on, this can lead to these companies being more likely to gain funding even if investors conduct thorough due diligence.
Pitching also presents an opportunity for entrepreneurs to present the team behind the idea to potential investors. Given that pitches are typically very short (as are investor attention spans), entrepreneurs must decide whether to focus on the idea or the team (“the jockey or the horse”, Kaplan, Sensoy and Strömberg, 2009). Prior evidence has suggested that focusing on the team is more important when time/attention are limited: Bernstein, Korteweg and Laws (2017) find, using an email experiment targeting angel investors, that investors respond strongly to information about the team behind a company. Marom and Sade (2013) also find, based on Kickstarter data, that mentions of the team are important, as pitches emphasizing the entrepreneur and her team enjoyed a higher rate of success. Other previous studies have shown for example that entrepreneurs’ impression management skills influence investor decision making (Mason and Harrison 2003).

Appearance in Finance

Research has documented that appearance affects many real-world outcomes, such as wage setting and labor force participation (Hamermesh and Biddle, 1994) and political outcomes (Todorov et al., 2005). Hamermesh and Biddle (1994) find that people who are rated as “beautiful” typically earn higher wages than those who are rated as “average” or “plain” (with average-looking people outearning plain ones) and that beautiful women are more likely to be in the labor force. Todorov et al. (2005) find that by simply comparing the “Competence”-rating for two faces a researched would have been able to predict the outcome of 68% of congressional races in 2004. Recent research in finance has documented that personal lending decisions are affected by the borrower’s look of trustworthiness and that surprisingly, looking trustworthy is correlated with being trustworthy (Duarte, Siegel and Young, 2012).

Graham, Harvey and Puri (2016) ask subjects to compare the faces of CEOs to non-CEOs and find that CEOs appear on average more competent but less attractive and likable than non-
CEOs (a CEO has a 54% probability of appearing more competent than a matched non-CEO counterpart). They find that competent-looking CEOs typically earn more and run larger companies but do not find any evidence of outperformance by the companies that they run, suggesting that the “look of competence” does not correlate with actual competence. Blankespoor et al. (2017) ask participants on MTurk to rate the roadshow presentations of various CEOs and find that a composite “perceptions” measure (which averages ratings for trustworthiness, attractiveness and competence) is positively associated with IPO pricing.

Our contribution is to highlight the role of first impressions in an area where they might plausibly be less important. It is plausible that appearance plays a role in situations requiring quick decision making (such as a game show or determining the winner of a pitching competition), in low-stakes decisions (such as peer-to-peer lending) or situations with many uninformed participants (such as elections). We show that even sophisticated investors who are given time to make decisions are subject to these biases.

In addition to this, our setting means that selection bias is less of an issue. While politicians might be selected to run on the basis of their appearance (or parties may choose to invest more in candidates they believe have a better chance of winning) and competent-looking CEOs might have more choices when it comes to choosing between firms or less competent-looking CEOs might have some offsetting qualities, the people pitching for entrepreneurial capital are typically company founders or co-founders. It is less likely in this case that selection plays a role in any possible matching between entrepreneurs and ideas (unless the appearance of competence is correlated with the quality of startup ideas), meaning that we do not have to worry about appearance being correlated with other unobservable factors that might make a company an attractive investment.
DATA AND METHODOLOGY

Setting

Our institutional setting is a Finnish startup and technology event called Slush. The event has grown in size to become one of the largest in Europe, with over 15,000 attendees. The event has been run yearly since 2008, growing from 300 attendees to 15,000. Every edition of Slush after the first few years has featured a pitching competition called Slush 100. In Slush 100, 100 startups from Finland and around the world pitch for a chance to win an early-stage investment, the size of which has varied throughout the years. Our sample of companies includes all firms that pitched at Slush 100 in 2011, 2013, 2014 and 2015. The final sample consists of 376 firms. Most (71%) of these firms have raised some sort of outside equity at some point in their lives, with around 40% having raised over a million dollars.

The event involves companies making a 2:30-3:00 minute long pitch after which a jury of experts (typically investors/industry experts) asks questions. The jury also chooses 10 companies to go through to semi-finals and eventually three or four finalists will pitch at the main stage of Slush, where one will be declared a winner and receive an angel investment and other prizes from event sponsors (the amount varies over the years). While winning the competition brings a guaranteed investment, there are multiple investors in the audience and companies gain exposure this way as well. It should also be noted that most firms pitching at Slush will also be pitching at similar events around the world.

As Slush grew in popularity over the years (from 250 in 2008 to 15,000 in 2015), the event became more selective. Most firms were selected into the event on the basis of a written

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4 Videos from earlier years and 2012 were unavailable. We were only able to obtain videos for 76 out of 100 pitches in 2011. We are currently in the process of obtaining ratings for all firms, with this draft having information on 109 out of 376 firms.

5 Though this was turned down once when terms could not be agreed upon.
application, though there were several regional pitching competitions where winners won entry to Slush 100. The admission criteria for written applications are not known to outsiders but the application page mentions that they are seeking the “most promising” companies. The growth in popularity means that the overall standard of pitches rose, and the event became more international over the years. There were also more investors attending the event. In our tests, we include presentation year fixed effects to try to control for variation in company quality and the funding environment.

Data

In order to rate the pitches obtained from Slush 100, we recruit participants on Amazon’s Mechanical Turk (MTurk). In this online job market, requesters can post tasks for on-demand workforce to complete against a small fee. Previously, numerous studies have provided evidence that the service is a feasible alternative for traditional lab settings in behavioral research (e.g., Paolacci and Chandler 2014, Mason and Suri, 2012, Crump, McDonnell, and Gureckis, 2013). The MTurk service has also been successfully used in prior finance research (e.g., Blankespoor et al. 2017, Bazley, Cronqvist and Mormann, 2016, Ke, 2017). As a research method, MTurk allows us to get a large number of ratings, mainly from Americans (who are unlikely to know any of the startups at Slush beforehand), at a relatively low cost. This online tool has been widely used in similar studies, but there may still be some concern that our subjects are “professional” test takers who do not answer seriously (effort is observable in several ways, including time spent and a short verification question).

In order to rate entrepreneur appearance, we follow Blankespoor et al. (2017) and ask participants on MTurk service to rate pitches on three components of entrepreneur appearance: competence, trustworthiness and attractiveness. Unlike Blankespoor et al. (2017), we do not remove content from the pitches, meaning that there is a risk that our studies are “contaminated”
by the actual content of the pitch. This is because we feel that behavior when presenting is an essential component of first impressions and appearance. However, to address concerns that raters may be focusing on content, we are currently working on running the same analysis with 5-second clips with all sound removed.

In this HIT, participants are asked to watch two pitch videos and answer following questions:

- ”Overall, how would you rate the pitch? ” (1-7 scale)

- “Imagine that you would be an investor that is seeking to fund promising ventures. Would you invest in this venture?” (1-4 scale)

- In your opinion, how competent is the person pitching? (Scale 1-7)

- “On a scale of 1-7, how would you rate the presenter’s attractiveness?”

- “On a scale of 1-7, how would you rate the presenter’s trustworthiness?”

We also collect basic demographic information from participants and disqualify all participants that spent less time than the video duration on the exercise and those that answer an attention-check question (name of the company pitching) incorrectly.

As of now, we have on average 8 ratings per company for a subsample of companies that pitched at Slush. Our goal is that by the end of the study, for each company, minimum of ten separate ratings have been collected.

As we recognize that Slush is not the only event in which these companies participate but we look at funding out comes from all through the company’s life (both pre- and post-Slush), we note that our study relies on the key assumptions that the appearance of the entrepreneur (pitcher) does not change. We think this is a reasonable assumption, though a company could,

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6 This number reflects our funding and time constraints
after growing, recruit a different person to pitch at future events. A person may also grow more confident after receiving an investment and thus appear more competent, but we believe this is less of an issue as we test three different outcomes (total funding, dummy for funding > $1m and dummy for any funding) of which the “any funding”-dummy should be unaffected.

We hand-collect data on funding outcomes from various sources. For each company that pitched at Slush, we collect data on the total amount of funding raised both before and after Slush as well. For the 2013-2015 cohorts, we have data on the sector, founding year, revenue (year prior to or year of Slush), country and stage. For the 2011 cohort, we hand-collect data on the founding year and country of the company. In our sample, most companies receive at least some sort of funding. 70.6% of companies received funding, with around 40% raising over $1 million. Most of the investors (by number) are angel investors (many of whom co-invest with government agencies, especially in Finland) while most of the capital raised comes from venture capitalists.

RESULTS

Summary statistics

Table 1 presents summary statistics on our sample of firms for which we have an MTurk rating available. In some cases, the amount of funding is not disclosed. In these cases, we set the funded dummy equal to 1 but leave the high funded dummy as 0. If a firm has both disclosed and undiscovered funding rounds, we use the sum of the disclosed rounds as our total funding measure. While most reported funding was in dollars or euros (which we convert at the year-

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7 These include Funderbeam, CrunchBase/TechCrunch, news searching as well as the Finnish Venture Capital Association and Finnvera. We include equity crowdfunding as an investment but exclude rewards-based crowdfunding, grants and loans from non-profits such as government funding agencies.

8 Coded slightly differently in different years: in 2013 and 2014, this is coded as an “early stage?” dummy whereas in 2015 there are several options, such as “Going to Market”, “Growth & Scale”
end exchange rate or use the dollar value calculated by services such as Funderbeam using a
contemporaneous exchange rate), funding rounds in other currencies are converted at today’s
exchange rate. In regressions, we take the natural logarithm of the total amount raised.

Perceptions

The first study explores the impact of entrepreneur characteristics and pitch elements on the
probability of a company getting funding. We build on previous research by Brooks, Huang,
Kearney and Murray (2014), who find that entrepreneur attractiveness increases the probability
of winning a pitching competition (but only for male entrepreneurs), but also look at other
aspects of appearance and the variance of estimates following the study of Blankespoor et al.
(2017).

We use the composite measure of perception of entrepreneur quality that consists attractiveness,
trustworthiness, and perceived competence (Blankespoor et al. 2017) obtained from survey
participants online. These measures are all classic constructs based on previous psychology and
economics literature (ibid.)

Figures 1, 2 and 3 summarize our results. In each figure, we generate ten bins of firms from our
sample (so that each bin contains about ten firms with roughly the same x-variable, with the y-
variable being the mean for the firms in a bin) and plot the relationship between our various
measures of perceptions and funding outcomes. Figure 1 plots the relationship between the
logarithm of the total amount raised and various measures, figure 2 the relationship between a
dummy variable for raising any capital and the perceptions measures and figure 3 the
relationship between a dummy for raising over $1 million and the various measures. The
relationships look very similar for all three outcome variables, with both competence and the
aggregate perceptions measure being strongly associated with all funding outcomes.
Perceptions of trustworthiness and attractiveness are positively but weakly related to funding outcomes. Next, we formalize these results in multivariate regressions.

Table 3 presents results of logistic regressions of various perception measures on a dummy for whether a firm has received any funding (including undisclosed amounts). We find a positive relationship between all components of our perceptions measure and funding outcomes (the relationship is statistically significant at 10% for all measures except trustworthiness). In column 2, we introduce region and year (of presentation) fixed effects which leads to a decline in significance for our coefficient.

Our coefficients are economically very significant – a 1 unit change in competence (roughly equal to the 25-75 interquartile range) is correlated with an increase in the probability of receiving funding by 21.4 percentage points (mean of our funding dummy: 0.7) in our baseline specification.

When it comes to firms which received significant (over 1m € or $) funding, the impact of perceptions is even stronger. Table 4 presents the results of logistic regressions of a dummy for whether the firm received significant investment on perception measures. Once again, a one-unit change in perceptions is associated with a 26% change in the probability of receiving a large investment.

In both cases, the competence component of perception has by far the largest impact on funding outcomes. This is consistent with the results of Todorov et al. (2005) on political outcomes and suggests that investors in early stage companies focus on similar characteristics of managers as investors in large, established companies. However, the coefficient on the aggregate “perceptions” measure has a slightly higher overall magnitude, suggesting that first impressions are more holistic than simply an assessment of competence.
CONCLUSION

In this paper, we present evidence from a large sample of real venture financings that first impressions and perceptions of appearance have an impact on early-stage financing outcomes. To the best of our knowledge, we provide the first large-sample evidence with real financing outcomes that entrepreneurial appearance affects the probability of receiving funding. Our unique institutional setting allows us to make estimates about the magnitude of this effect in a setting encountered by most high-growth startups seeking investment.

We find that investors are far more likely to invest in startups where the entrepreneur appears more competent and in those where the entrepreneur makes a good first impression (in this case, we measure the quality of the impression as an average of the entrepreneur’s competence, attractiveness and trustworthiness ratings. The effects are highly economically significant, with a one-standard-deviation increase in perceptions of competence increasing the probability of receiving early-stage funding by almost 30%.

Our paper also contributes to the debate on whether the “jockey or the horse” matters more for early-stage investors by showing that, perhaps subconsciously, investors care about the team behind a startup.
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Figure 1 Log(Amount Raised) and First Impressions

These binned scatter plots (10 bins) present the relationship between the natural logarithm of the amount of funding raised by companies and their scores on various perception measures. Firms are sorted into 10 bins based on their score and the average outcome is calculated for each bin (in this case, the average amount of money raised).
Figure 2 Funded Dummy and First Impressions

These binned scatter plots (10 bins) present the relationship between a dummy variable that takes the value of 1 if the company has raised any outside equity funding (excluding governmental grants but including government venture capital) and 0 otherwise and their scores on various perception measures. Firms are sorted into 10 bins based on their score and the average outcome is calculated for each bin (in this case, the percentage of companies in that bin that receive funding).

![Competence](image1)

![Attractive](image2)

![Trustworthy](image3)

![Perception](image4)
Figure 3 High Funded Dummy and First Impressions

These binned scatter plots (10 bins) present the relationship between a dummy variable that takes the value of 1 if the company has raised more than $1 million in outside equity funding and 0 otherwise and their scores on various perception measures. Firms are sorted into 10 bins based on their score and the average outcome is calculated for each bin (in this case, the percentage of companies in that bin that receive significant funding).
Table 1 Summary Statistics

This table presents summary statistics on funding outcomes for the firms in our sample. The sample consists of firms from 2011, 2014 and 2015 for which we have ratings and outcome information. All data is averaged at the firm level.

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>mean</th>
<th>sd</th>
<th>min</th>
<th>max</th>
<th>p25</th>
<th>p50</th>
<th>p75</th>
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<tbody>
<tr>
<td># Ratings</td>
<td>109</td>
<td>8.092</td>
<td>2.605</td>
<td>1</td>
<td>18</td>
<td>6</td>
<td>9</td>
<td>10</td>
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<tr>
<td>Rating</td>
<td>109</td>
<td>4.240</td>
<td>0.919</td>
<td>2.200</td>
<td>6.100</td>
<td>3.700</td>
<td>4.400</td>
<td>4.875</td>
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<td>Attractiveness</td>
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<td>4.006</td>
<td>0.899</td>
<td>1</td>
<td>5.833</td>
<td>3.500</td>
<td>3.900</td>
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<td>4.994</td>
<td>0.497</td>
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<td>6</td>
<td>4.625</td>
<td>5</td>
<td>5.300</td>
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<td>Trustworthiness</td>
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<td>0.427</td>
<td>4.143</td>
<td>6</td>
<td>4.800</td>
<td>5.100</td>
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<td>Perception</td>
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<td>4.400</td>
<td>4.733</td>
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<td>Funded Dummy</td>
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<td>High Funding Dummy</td>
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<tr>
<td>Total Funding (000€)</td>
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<td>2,816</td>
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<td>16,650</td>
<td>0</td>
<td>383</td>
<td>1,800</td>
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</table>
Table 2 Correlation Matrix of Perception Measures

This table presents the pairwise correlations (at the firm level) between MTurk subjects’ perceptions of attractiveness, competence, trustworthiness, investability (“Imagine that you would be an investor that is seeking to fund promising ventures. Would you invest in this venture?”) and their overall rating. We also show the correlation between these measures and our composite perception measure (average of the three). The variables are aggregated at the firm level.

<table>
<thead>
<tr>
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<th>Investing</th>
<th>Rating</th>
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<th>Competence</th>
<th>Trustworthiness</th>
<th>Perception</th>
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<td>Attractive</td>
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Table 3 Regressions of Funding on Various Perception Measures

This table presents marginal effects from Logit regressions of various perception measures on a dummy indicating whether the company received any investment. The measures of perception are competence, trustworthiness and attractiveness (“on a scale of 1-7, how x is the person presenting?”), investability (“Imagine that you would be an investor that is seeking to fund promising ventures. Would you invest in this venture?”) and Perception, which averages the competence, trustworthiness and competence measures. Column 2 includes year and region (defined as Finland, Europe, Asia and Americas) fixed effects. The unit of observation is one firm (i.e. the scores are averages).

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<td>0.187 (0.123)</td>
<td>0.304*** (0.0660)</td>
<td>0.198** (0.0889)</td>
<td>0.122 (0.114)</td>
<td>0.0825* (0.0495)</td>
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Standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1
Table 4 Regressions of High Funding Status on Perception Measures

This table presents marginal effects from Logit regressions of various perception measures on a dummy indicating whether the company received a significant investment (defined as over €/$ 1 million). The measures of perception are competence, trustworthiness and attractiveness (“on a scale of 1-7, how x is the person presenting?”), investability (“Imagine that you would be an investor that is seeking to fund promising ventures. Would you invest in this venture?”) and Perception, which averages the competence, trustworthiness and competence measures. Column 2 includes year and region (defined as Finland, Europe, Asia and Americas) fixed effects. The unit of observation is one firm (i.e. the scores are averages).

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Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1