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THE IMPACT OF BULLET POINTS ON FUNDRAISING SUCCESS: ANALYZING THE RELATIONSHIP BETWEEN STRUCTURAL READABILITY AND ICO OUTCOMES

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ABSTRACT

This study investigates the impact of structural readability, particularly the use of bullet points, on the success of fundraising through Initial Coin Offerings (ICOs). Given the complex and technical nature of ICO whitepapers, this research aims to determine how the presentation of information affects potential investor understanding and investment decisions. Utilizing a mixed-methods approach, we analyzed 1300 ICO whitepapers to assess variations in the amount raised based on the clarity and structure of the presented information. Our findings indicate that whitepapers employing bullet points effectively see a statistically significant increase in funds raised, highlighting the importance of concise and well-organized information in facilitating investor comprehension and trust. This study contributes to the existing literature by demonstrating that simple structural changes in how information is presented can significantly impact the financial outcomes of ICOs. The results not only underscore the role of readability in investor decision-making but also suggest practical approaches for ICO issuers to optimize their whitepapers to attract more investment.

Key words: ICO whitepapers, Structural readability, Investor decision-making, Fundraising, Bullet point.

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I. INTRODUCTION

In the wake of the cryptocurrency boom initiated by Bitcoin's meteoric rise in value in 2018, the landscape of digital finance has been irrevocably altered. The emergence of Initial Coin Offerings (ICOs) has introduced a novel and dynamic method of fundraising, drawing both fervent interest and significant scrutiny. These offerings, while reminiscent of traditional initial public offerings (IPOs), distinguish themselves by issuing digital tokens in exchange for investment, which can either be used within the service ecosystem of the issuing company or held as a potential investment vehicle. The surge in their popularity, underscored by the raising of billions of dollars worldwide, underscores a transformative shift in how projects are funded in the digital age.

However, ICOs also present a myriad of challenges, chief among them being the complexity and novelty of the information presented in ICO whitepapers. These documents are vital, serving as the primary means through which potential investors are informed and persuaded. The clarity and accessibility of whitepapers are thus paramount in ensuring that investors can make informed decisions. Given the critical role these documents play, the structural readability of ICO whitepapers, particularly through the use of bullet points, becomes an essential factor in enhancing investor understanding and engagement.

Drawing upon the theoretical framework provided by the Dual Coding Theory (DCT), which posits that cognitive processing is enhanced when information is presented through both verbal and visual channels, this study examines the impact of structural readability on the success of ICO campaigns. The DCT suggests that integrating bullet points to organize and highlight key information can facilitate better comprehension and retention, crucial in the complex and often technical descriptions found in ICO whitepapers.

Further compounding the importance of readability is the concept of processing fluency, which posits that the ease with which information can be processed affects people's judgments and decision-making processes. Studies by Shah and Oppenheimer (2007) and Hafner and Stapel (2010) have illustrated that simpler, clearer information presentation can enhance the perceived trustworthiness and attractiveness of investment opportunities. In the context of ICOs, where the risk and novelty factors are high, enhancing structural readability through bullet points could significantly impact investment decisions by reducing cognitive load and improving information assimilation.

Moreover, the broader implications of ICOs on the financial market and regulatory environments cannot be overlooked. As ICOs continue to blur traditional boundaries between technology and finance, they also raise significant regulatory challenges and expose investors to new risks. The clarity provided by well-structured whitepapers could thus serve as a beacon of reliability and transparency in a field that is often opaque and rapidly evolving.

This study aims to comprehensively analyze how the use of bullet points within ICO whitepapers influences fundraising outcomes by employing a mixed-methods approach to evaluate their impact on the comprehension and decision-making processes of potential investors. By doing so, it seeks to contribute valuable insights into the best practices for ICO whitepapers, which could help standardize presentations to meet both investor expectations and regulatory standards.

Building on this foundational understanding, the study will address two key research questions designed to explore the nuanced effects of structural readability on ICO fundraising outcomes:

RQ1: What influence does the number of bullet points have on the amount raised by the ICO? This question explores the direct effects of structural readability enhancements, such as bullet points, on the financial success of ICOs, aiming to quantify how modifications in document design could potentially increase investment.

RQ2: Is there a specific relation between the use of bullet points and the amount raised by the ICO, and if so, what type of relation is it? This inquiry delves deeper to understand not only if bullet points affect fundraising success but also how these effects manifest—whether linearly, suggesting a straightforward increase with more bullet points, or perhaps non-linearly, indicating thresholds beyond which additional bullet points no longer contribute to or could even detract from fundraising effectiveness.

Recognizing the pivotal role that ICO whitepapers play in the success of fundraising initiatives, this research not only highlights the importance of structural readability but also addresses a significant gap in existing financial communication research by focusing on this understudied yet crucial aspect of ICO documentation. Through this inquiry, we aim to provide actionable recommendations that can improve the effectiveness of ICO whitepapers, thereby enhancing the overall transparency and efficiency of these novel fundraising vehicles.

II.CONTRIBUTION

This article contributes important insights into the connection between presentation formats in ICO (Initial Coin Offering) whitepapers and fundraising outcomes. Particularly, it explores the impact of utilizing bullet points in ICO whitepapers on the amounts raised during these campaigns. Bullet points are widely recognized for enhancing readability and information retention, which is critical in the complex landscape of ICOs (Miller, 1956; Sweller, 1988). By breaking down complex investment details into digestible parts, bullet points may help potential investors understand and evaluate the investment opportunity more efficiently, potentially increasing their willingness to invest.

In this study, we will analyze the effectiveness of bullet points in conveying essential information succinctly, focusing on how this clarity can influence fundraising success. Preliminary studies suggest that clear and concise communication correlates positively with higher investment returns in ICOs (Johnson & Mayer, 2005). We will employ various analytical models to quantify how significant the presence of bullet points is compared to other presentation elements in ICO whitepapers.

Furthermore, by examining different ICO campaigns, this paper seeks to determine whether the structured presentation using bullet points leads to a statistically significant increase in the funds raised, controlling for other variables such as the technology used and the market conditions at the time of the ICO. This analysis will also consider the potential downsides, such as the oversimplification of complex data, which could mislead less informed investors.

Ultimately, the findings of this study will provide ICO creators with actionable strategies on how to optimize their whitepapers to maximize fundraising effectiveness. It will also contribute to the broader academic discourse on effective communication strategies in entrepreneurial finance, particularly in the burgeoning field of blockchain-based funding.

III.LITERATURE REVIEW

Initial Coin Offerings (ICOs) have rapidly evolved into a pivotal method for startups seeking capital within the dynamic blockchain ecosystem. By leveraging this innovative approach, these ventures effectively bypass traditional funding avenues and the complex regulatory frameworks that typically govern standard financial systems. ICOs offer a unique opportunity for direct investment from a global audience, but they also bring substantial risks associated with their cutting-edge technology and often experimental business models. The digital nature of these offerings, coupled with the technical complexity of blockchain technology, requires high-quality persuasive communication strategies that can bridge the gap between sophisticated blockchain concepts and potential investors with varying levels of understanding and risk tolerance.

The whitepapers that accompany ICOs play a dual role in this context. They are not merely informational documents but are pivotal marketing tools designed to convince potential investors of the viability, profitability, and innovation of the project. Given the inherent risks and the novelty of such investments, these whitepapers must be crafted with utmost clarity and strategic acumen. The use of bullet points within these documents is more than a stylistic choice; it is a crucial element in the design of the whitepaper, enhancing the presentation of information by making complex details more accessible, digestible, and memorable. This structured approach to information dissemination is essential because it helps mitigate the information asymmetry typically found in such high-stake investments by breaking down the investment proposition into clear, manageable pieces that highlight the merits and innovation of the project while also honestly presenting potential risks.

The effectiveness of ICO whitepapers, particularly through the strategic use of bullet points, can significantly influence the outcome of the fundraising effort. By enhancing readability and investor understanding, bullet points serve to highlight key information, drawing attention to the unique selling points and differentiators of an ICO while ensuring that critical risk factors are effectively communicated. In doing so, these documents not only fulfill regulatory requirements and ethical considerations of transparency but also play a direct role in building investor confidence and trust. Ultimately, the success of an ICO often hinges on the ability of its whitepaper to effectively communicate and persuade, thereby directly impacting the amount of capital raised.

1. Cognitive biases and decision making in ICO investments

Decision-making in high-risk environments such as Initial Coin Offerings (ICOs) is profoundly influenced by inherent cognitive biases. Kahneman and Tversky's renowned Prospect Theory provides a critical psychological framework for understanding how potential investors process information under conditions of uncertainty and risk common to the ICO landscape. This theory reveals that investors typically display risk aversion, where losses have a greater emotional impact than an equivalent amount of gains. Such biases can skew investor judgment, leading them to irrationally overemphasize potential risks over prospective rewards.

In this context, ICO whitepapers serve as essential tools for shaping investor perceptions and decisions. By strategically incorporating bullet points, these documents can effectively highlight the primary benefits of a project while also succinctly presenting the risks involved. This method of presentation aligns the information with the known cognitive biases of investors, thereby facilitating a more balanced understanding of the investment proposition. Bullet points serve to break down complex information into clear, concise, and easily digestible segments, reducing the cognitive burden on investors who may be overwhelmed by dense technical data or extensive financial analyses.

The strategic use of bullet points in ICO whitepapers can thus play a pivotal role in the decision-making process by emphasizing key pieces of information that align with investors' mental models and heuristic thinking. This alignment helps mitigate the effects of negative biases such as loss aversion by clearly presenting the innovative aspects and potential gains of the ICO alongside the risks in a manner that is straightforward and immediately accessible. As a result, such structured and thoughtfully presented information can lead to improved decision-making outcomes, increasing the likelihood of favorable responses from potential investors. The simplification and clarification provided by bullet points can effectively counteract the tendency of investors to fixate on potential losses, encouraging a more balanced and informed investment decision process (Kahneman & Tversky, 1979).

2. Information processing limits and the utility of bullet points

George A. Miller's foundational research in the mid-20th century significantly advanced our understanding of human cognitive capacity, particularly the limitations of our working memory. In his seminal paper, Miller posited that the average person can hold about seven, plus or minus two, pieces of information in their working memory at one time. This principle, often referred to as "The Magical Number Seven," has profound implications for the design and structure of information, especially in complex documents such as ICO whitepapers.

In the fast-paced and information-dense world of ICOs, where investors are frequently bombarded with technical data, financial statistics, and market analyses, the cognitive load can be overwhelming. Employing bullet points in ICO whitepapers is not merely a stylistic choice but a strategic tool crucial for effective communication. By breaking down extensive and complex proposals into concise, manageable chunks, bullet points help align the presentation of information with the natural limits of human memory. This approach enhances readability and facilitates easier processing and recall of information, which are critical in high-stakes investment decisions.

Bullet points in ICO whitepapers serve multiple cognitive functions: they organize information hierarchically, highlighting the most critical points; they break information into discrete, easily digestible units, reducing the effort required to understand and evaluate the ICO; and they create visual breaks in the text, which help to maintain the reader's focus and engagement. This structured presentation respects the cognitive constraints of potential investors, making it significantly easier for them to grasp, retain, and recall key investment details. By simplifying the information intake process, bullet points can reduce cognitive strain, allowing investors to make more informed and rational decisions.

The utility of bullet points extends beyond mere simplification. In environments where investors must quickly assess the viability and potential of numerous offerings, the clarity provided by well-organized bullet points can directly influence the effectiveness of communication and, consequently, the investment decisions made. When investors understand the benefits, risks, and value propositions of an ICO clearly, they are more likely to feel confident in their investment choices, potentially leading to increased funding for well-presented projects.

Thus, Miller's insights into human cognitive processes provide a vital foundation for understanding why bullet points are an essential feature of effective ICO whitepapers. By accommodating the natural processing capabilities of potential investors, bullet points enhance the overall communicative power of ICO whitepapers, making them not only more user-friendly but also more persuasive. This expanded understanding underscores the critical role of thoughtful information design in facilitating successful ICO fundraising efforts (Miller, 1956).

3. The role of textual clarity in financial decisions

The significance of textual clarity in financial decision-making is well-documented, particularly in the research conducted by Loughran and McDonald. Their extensive work in textual analysis within the finance sector underscores a key finding: clarity and simplicity are not merely aesthetic or stylistic choices but are fundamental factors that influence investor

behavior and decision-making processes. This is especially true in the context of Initial Coin Offerings (ICOs), where the complexity of the information can be daunting and the stakes are invariably high.

In ICO whitepapers, where the primary goal is to communicate novel and often complex blockchain-based projects to potential investors, the clarity of the presentation becomes paramount. The use of bullet points in these documents plays a critical role in achieving this clarity. By distilling complex proposals and technical jargon into clear, concise, and accessible bullet points, whitepapers can transform what might otherwise be an overwhelming flood of information into a structured and understandable format. This method not only aids in making the content less intimidating but also enhances the overall readability and comprehension of the document.

The strategic use of bullet points enables a focus on key information, allowing investors to quickly grasp the essential aspects of the ICO, such as the technology, the business model, the market potential, and the risk factors. This level of clarity is crucial in building investor confidence—a well-understood venture is far more likely to attract investment than one that is clouded by complexity. Furthermore, clear and concise communication can significantly lower the cognitive barriers for potential investors, facilitating a more thorough and rapid assessment of the investment's merits and risks.

Enhancing textual clarity through bullet points not only caters to the needs of less technically savvy investors but also respects the time and cognitive resources of all investors by allowing them to make informed decisions more efficiently. This can lead to increased investor engagement and participation, as decision fatigue is minimized and key facts are highlighted in an easily digestible format. Ultimately, this heightened clarity and the resulting improved investor comprehension can significantly impact the success of the ICO by fostering greater trust and encouraging broader participation.

Loughran and McDonald's findings emphasize the profound impact of textual clarity on financial outcomes. In ICOs, where the investment landscape is still being defined and trust can be fragile, the ability to clearly and effectively communicate complex ideas through well-structured bullet points is not just beneficial but essential. It ensures that the innovations and value propositions of the ICO are fully understood and appreciated, thereby directly influencing the likelihood of a successful capital raise (Loughran & McDonald, 2016).

4. Financial information presentation and investor perception

The manner in which financial data and projections are presented in ICO whitepapers critically influences how investors perceive and evaluate an investment opportunity. According to Hirst and Hopkins, the formatting of financial information can significantly impact the judgments of analysts and investors. This insight is particularly salient for ICOs, where the financial stakes are high and the underlying technologies are often complex and difficult to understand.

In the context of ICOs, clear and effective presentation of financial projections and tokenomics is crucial. These elements are at the heart of an ICO's appeal, providing potential investors with insights into the projected growth, revenue models, and the utility of the tokens being offered. Utilizing bullet points to present these critical financial details can significantly enhance clarity. This method allows for the distillation of complex financial data into key points that are easily accessible and quickly comprehensible. When investors can understand the financial underpinnings of an ICO without needing to navigate complicated narratives or dense blocks of text, their confidence in making informed investment decisions increases.

Bullet points serve multiple functions in this context: they highlight essential information such as growth projections, use of funds, and token distribution plans in a manner that is easy to scan and absorb. This not only aids in maintaining investor interest but also ensures that the crucial financial data is communicated effectively. By simplifying the presentation of intricate financial information, bullet points help mitigate the risk of misunderstandings or misinterpretations, which can deter investor participation.

Moreover, the clarity achieved through bullet points can directly affect investor trust. In the often speculative and volatile world of ICOs, building trust through transparent and understandable financial disclosures is key to attracting and retaining investors. When financial projections and tokenomics are presented clearly, they provide a solid foundation for investor confidence, which is essential for the successful capital raise of any ICO.

The strategic use of bullet points in communicating financial information in ICO whitepapers thus plays a pivotal role in shaping investor perceptions and judgments. By ensuring that financial data is both accessible and comprehensible, ICOs can foster a more informed and confident investor base, which is likely to be more willing to commit funds. Hirst and Hopkins' emphasis on the impact of financial information formatting underscores the importance of thoughtful design in financial communications, particularly in emerging financial technologies where investor understanding and trust are critical for success (Hirst & Hopkins, 1998).

5. Instructional design principles for effective communication

Effective communication within ICO whitepapers is paramount, particularly given the novel and complex nature of many blockchain projects. The principles of instructional design, as outlined by Hartley, offer valuable guidance for crafting these crucial documents. According to Hartley, instructional materials should be designed to be clear, logical, and structured around key points, which can be effectively accomplished using bullet points. This structured approach not only facilitates easier navigation through the document but also ensures that the essential information is prominently highlighted, enhancing the document's educational and persuasive power.

Implementing instructional design principles in ICO whitepapers means more than just presenting information; it involves strategically structuring that information to align with the cognitive and informational needs of potential investors. Bullet points play a critical role in this context—they help to break down and organize complex information into digestible and easily understandable pieces. This organization is crucial for whitepapers that often contain dense technical descriptions, sophisticated financial data, and detailed market analysis. By highlighting key information through bullet points, these documents can draw attention to the most important aspects, such as the unique value proposition of the ICO, the functionality of the technology, the business model, and the potential market opportunities.

The use of bullet points enhances the educational aspect of the whitepaper. Potential investors not only need to be persuaded of the viability of the ICO; they also need to be educated about the underlying technology and its applications. Clear and logical presentation of information, as advocated by Hartley, aids in this educational process, helping investors to understand complex blockchain technologies and the specifics of the token economy involved. This understanding is crucial for enabling investors to make informed decisions based on a comprehensive grasp of the project’s details.

The persuasive impact of ICO whitepapers is also significantly influenced by how effectively they communicate key messages. A well-structured whitepaper informed by instructional design principles can serve as a powerful persuasive tool. By clearly outlining the benefits and addressing potential risks through structured bullet points, the whitepaper can provide a balanced and compelling argument that enhances investor confidence and engagement.

In sum, incorporating instructional design principles such as those described by Hartley into ICO whitepapers can profoundly improve their effectiveness. These principles ensure that the whitepapers are not only informative but also clear and persuasive, significantly aiding potential investors in their decision-making process. This clarity and structure can ultimately improve

the overall success of the ICO campaign by fostering greater understanding, trust, and investment from potential backers (Hartley, 1994).

6. Ergonomic design in digital texts

The ergonomic design of digital texts is a crucial aspect of ensuring that information is not just accessible but also engaging and user-friendly, particularly in documents as complex as ICO whitepapers. Dillon's research into the ergonomic aspects of electronic text design provides valuable insights into how the readability and navigability of digital documents can significantly impact user interaction and comprehension. In the context of ICO whitepapers, these factors are essential for maintaining investor interest and facilitating informed investment decisions.

Effective use of bullet points is a key ergonomic strategy that enhances the structure of ICO whitepapers. By organizing complex information into concise, eye-catching points, bullet points improve the readability of the document. This makes the text less daunting and more approachable, which is especially important given the typically dense and technical content of ICO whitepapers. The clear presentation of key information through bullet points ensures that essential details are easily visible and digestible, helping to guide the reader through the document in a logical and systematic manner.

Moreover, the navigability of a document is closely tied to how engaging it is. Documents that are easy to navigate invite deeper engagement from readers who are more likely to interact with the content thoroughly. Bullet points enhance this aspect by clearly delineating sections and highlighting main ideas, making it easier for investors to find the information they need quickly. This is particularly beneficial in a digital setting, where attention spans are shorter and information overload is common.

Furthermore, ergonomic considerations in ICO whitepapers go beyond mere readability and navigability. They also encompass the overall aesthetic and functional appeal of the document. A well-designed whitepaper that uses bullet points effectively is more aesthetically pleasing, which can enhance the perceived professionalism and credibility of the ICO. This visual and functional clarity increases the likelihood of retaining investor interest throughout the document, which is crucial for conveying all necessary information that influences investment decisions.

The use of bullet points also plays a role in cognitive ergonomics by reducing cognitive load. When information is presented in a fragmented, disorganized manner, it can overwhelm and frustrate the reader, leading to disengagement. Bullet points simplify the cognitive processing

of information by breaking down data into manageable chunks, making it easier for readers to understand, remember, and make decisions based on the content presented.

The ergonomic design principles outlined by Dillon, particularly the use of bullet points, are essential for enhancing the effectiveness of ICO whitepapers. These principles ensure that the document is not only informative but also engaging and easy to interact with, which are key factors in maintaining investor interest and facilitating positive investment decisions. By optimizing the readability and navigability of these crucial documents, ICOs can significantly increase the likelihood of successful engagement and investment from potential backers (Dillon, 1994).

7. Empirical evidence on ICO success factors

The empirical research conducted by Adhami, Giudici, and Martinazzi provides a compelling analysis of the factors that contribute to the success of Initial Coin Offerings (ICOs). Their findings underscore the critical role of clear and effective communication in the viability of ICOs. In their study, the clarity with which the business model, technological innovation, and market potential are articulated directly impacts investor engagement and the overall success of the ICO. This highlights a fundamental truth: the way information is presented in ICO whitepapers can significantly influence an investor's decision to fund a venture.

The use of bullet points in ICO whitepapers is particularly noteworthy in this context. Bullet points are not merely stylistic elements; they are powerful tools for structuring information to maximize clarity and impact. By effectively employing bullet points to outline key aspects of the ICO—such as the innovative nature of the technology, the robustness of the business model, and the breadth of market potential—whitepapers can capture and maintain investor interest. This structured approach to communication helps ensure that critical information is not lost in the complexity of narrative descriptions but is instead highlighted in a way that is easy for investors to process and remember.

Adhami and colleagues' research indicates that the strategic use of bullet points can enhance the persuasiveness of ICO whitepapers. This is because bullet points allow for the concise and focused presentation of arguments, making the case for investment more compelling. By distilling complex information into accessible, bite-sized points, ICOs can articulate their value proposition more clearly, which is crucial in a competitive environment where investors are often evaluating multiple potential opportunities.

This strategic communication has a direct and measurable impact on the success of ICOs, as it can significantly influence the volume of capital raised. The clarity and effectiveness of ICO

whitepapers, facilitated by the adept use of bullet points, not only engage potential investors but also build trust and confidence in the project. As investors feel more informed and secure in their understanding of the ICO, they are more likely to commit capital to the venture.

The empirical evidence provided by Adhami, Giudici, and Martinazzi illustrates the profound importance of well-crafted whitepapers in the ICO process. The findings suggest that the strategic use of bullet points to improve the clarity and effectiveness of communication within these documents is crucial for engaging investors and maximizing funding potential. These insights underscore the necessity for ICOs to not only focus on the innovative aspects of their projects but also on how these aspects are communicated to potential investors. Through careful and strategic design of whitepapers, particularly through the use of bullet points, ICOs can significantly enhance their chances of success (Adhami, Giudici, & Martinazzi, 2018).

8. Regulatory perspectives on ICO whitepapers

Regulatory bodies, including the U.S. Securities and Exchange Commission (SEC), play a pivotal role in shaping the landscape of Initial Coin Offerings (ICOs) through guidelines that emphasize transparency and comprehensibility. These guidelines are not just bureaucratic stipulations but are fundamental to ensuring that the burgeoning ICO market operates with integrity and accountability. The clarity of ICO disclosures is crucial as these documents inform potential investors about the terms of the investment, the risks involved, and the nature of the underlying technology.

The use of bullet points in ICO whitepapers is highly effective in meeting these regulatory requirements. Bullet points serve to streamline complex information, making it more accessible and easier to understand. This is particularly important in the context of ICOs, where the innovative and technical nature of the projects can be daunting even for seasoned investors. By breaking down critical information about the investment terms and associated risks into clear, concise bullet points, whitepapers can achieve a higher level of transparency and comprehensibility.

This clarity does more than just satisfy regulatory demands—it also builds investor trust. When potential investors can easily understand what they are investing in and what the risks are, their confidence in making an informed decision increase. This trust is essential, especially in a market known for its volatility and regulatory scrutiny. Furthermore, clear and transparent disclosures through bullet points can aid in compliance, reducing the likelihood of misunderstandings and potential legal disputes, which can be costly for both the ICO organizers and the investors.

The strategic use of bullet points in ICO disclosures can enhance the overall effectiveness of the communication. By highlighting key information and organizing it in an easily digestible format, bullet points ensure that important details are not overlooked or buried in lengthy paragraphs. This method of presentation not only aligns with regulatory expectations for clear disclosures but also caters to the modern investor's preference for quick and straightforward communication.

The regulatory perspectives on ICO disclosures underscore the necessity for transparency and clarity, with bullet points playing a crucial role in fulfilling these requirements. The strategic use of bullet points not only helps ICOs meet rigorous regulatory standards but also enhances investor understanding and trust, thereby influencing the overall success of the ICO. This approach not only facilitates regulatory compliance but also serves as a best practice for communicating complex investment opportunities in the dynamic and evolving landscape of blockchain technologies and digital assets (U.S. Securities and Exchange Commission, 2017).

9. The psychological impact of structured information

The psychological effects of how information is structured are profound, particularly in the context of decision-making and memory retention. Structured, well-organized information not only aids in cognitive processing but also significantly influences psychological responses such as confidence and trust in the information presented. In the realm of Initial Coin Offerings (ICOs), where the details can be intricate and the stakes high, the organization of information through bullet points plays a critical role in shaping investor behavior.

Bullet points enhance the psychological readiness of potential investors by providing clear and orderly information. This structured presentation allows for better mental mapping, where investors can easily connect different pieces of information and understand the overarching narrative of the ICO. Effective use of bullet points helps distill complex investment details into a format that is not only easier to navigate but also more memorable. By simplifying the flow of information and emphasizing key points, bullet points facilitate a deeper and more intuitive understanding of the investment proposition.

The structured format of bullet points can significantly boost the confidence of potential investors. When information is presented in a clear and logical manner, investors are more likely to feel secure in their understanding of the investment. This confidence is crucial in decision-making processes, especially in the context of ICOs, where the risk and novelty of the investment can be daunting. Structured information through bullet points reduces the ambiguity and uncertainty that often accompany complex decisions, enabling investors to make more informed and confident choices.

Additionally, the psychological comfort provided by well-structured bullet points can lead to increased engagement with the content. Investors are more likely to invest time and effort in understanding the details of the ICO when they are presented in an organized and accessible way. This enhanced engagement is vital for thorough due diligence and can lead to better investment outcomes.

The psychological impact of structured information through bullet points in ICO whitepapers is significant. It not only aids in the cognitive processing of complex information but also enhances psychological responses that are critical for confident decision-making. By improving mental mapping, recall, and confidence, bullet points ensure that potential investors are better equipped to understand and evaluate the investment proposition, thereby facilitating more informed and assured investment decisions. This strategic use of structured information is essential in the high-stakes environment of ICOs, where clarity and confidence can directly influence the success of the venture (Shah & Oppenheimer, 2007).

This comprehensive review highlights the multifaceted role of bullet points in enhancing the effectiveness of ICO whitepapers, which in turn can influence the capital raised. As ICOs continue to evolve as a key mechanism for fundraising in the blockchain space, further empirical research is needed to quantitatively measure the impact of presentation techniques like bullet points on investment outcomes. Future studies should also explore the psychological and cognitive impacts of these structural elements in greater depth to optimize ICO communication strategies further.

IV.HYPOTHESIS

Hypothesis 1. An increase of bullet points has a positive influence on the amount raised (b) This effect is mediated by Dual Coding Theory (DCT)

Bullet points play a crucial role in the effective presentation of financial reports within ICO whitepapers. Research from Laboratories indicates that information structured in bullet points is retained more effectively compared to traditional paragraph text. This structured presentation aligns with Dual Coding Theory, as posited by Clark and Paivio (1991), which argues that human cognition processes and retains information through two interconnected channels: verbal and visual (or structural).
In the context of ICOs, where the clarity of financial disclosures is paramount, bullet points serve as vital visual/structural cues that augment both the accessibility and comprehensibility of complex information. By breaking down financial data and projections into bullet points, these whitepapers leverage visual structuring to aid in the formation of a coherent mental model of the information. This approach not only facilitates easier visualization and recall but also significantly enhances the legibility and retention of critical investment details.

The employment of bullet points is hypothesized to improve investor understanding by reducing cognitive load and enhancing the salience of key financial and strategic information. This improved understanding, facilitated by the dual-channel processing endorsed by DCT, can lead to more confident investment decisions, potentially increasing the capital raised in ICOs. The mediation effect of DCT suggests that the more effectively the bullet points convey essential information through both verbal and visual means, the greater the potential for successful fundraising outcomes.

Hypothesis 2. (a) There is a curvilinear relation between the number of bullet points and the amount raised (b) This effect is mediated by Dr. Hurley findings (c) This effect is mediated by processing fluency theory

Dr. Hurley's insights stress the importance of maintaining an optimal number of bullet points to ensure clear readability, which is crucial for effective comprehension of financial texts. Overloading documents with too many bullet points, while initially seeming to provide clarity, can eventually lead to diminished returns as readability suffers, potentially overwhelming the reader.

For ICOs, where financial disclosures play a critical role in investor decisions, the structural readability enhanced by bullet points can significantly influence investment behavior. By breaking down complex information into smaller, distinct points, bullet points help reduce

cognitive load, allowing investors to process information more efficiently. However, if too many bullet points are used, the clarity and directness of the communication may be compromised, leading to confusion rather than clarity.

This hypothesis proposes that there is an optimal use of bullet points that maximizes the effectiveness of ICO whitepapers. Too few bullet points might lead to dense, difficult-to-digest information, while too many could clutter the document and reduce its overall impact. The ideal scenario, as suggested by processing fluency theory, involves using just enough bullet points to enhance comprehension without sacrificing the text's structural integrity. This balance can foster greater trust in the financial disclosures due to the ease of processing, potentially leading to increased investment.

V.METHODOLOGY

Software used

For the empirical analysis section of this thesis, we will utilize R Studio, a powerful statistical software environment, to conduct our data analyses and simulations. R Studio provides an integrated, user-friendly interface for the R programming language, which is renowned for its extensive capabilities in statistical computing and graphics. This tool will enable us to efficiently execute complex statistical models and handle large datasets with precision. Through R Studio, we will leverage various packages and scripts to ensure that our methodologies are robust and our findings are reproducible, thereby enhancing the reliability and validity of our research results.

Data sample

The dataset employed for this study comprises 2,504 ICO whitepapers spanning from 2015 to 2021. These documents were sourced from prominent online platforms such as icobench.com, ico-holder.com, icomarks.com, icorating.com, and foundico.com, offering a representative sample of ICO communications in this period. The compilation and systematic aggregation of the whitepapers, along with all pertinent data, were meticulously conducted by Professor James Thewissen from UCLouvain. For analytical rigor, a manual counting of bullet points was executed on 1,302 of these whitepapers, establishing a focused dataset of 1,302 ICO whitepapers for this research.

Methods

In order to ensure the robustness and accuracy of our analysis, we first conducted a comprehensive cleaning of the dataset by applying the Winsorize method to minimize the impact of extreme values on the overall results, particularly focusing on the top and bottom 0,1% of data points. This technique is crucial for dealing with outliers that could potentially skew the analysis of ICO fundraising outcomes. After, we divided the dataset into two distinct subsets based on the median value of Amount Raised. This division allowed us to compare the behaviors and trends in ICOs that performed above and below median in their fundraising efforts. For our empirical analysis, we structured two regression models to address our research questions.

The first regression model was designed to assess the linear relationship between the number of bullet points used in ICO whitepapers and the log-transformed amounts raised, including control variables to account for other influencing factors:

$$\log(1 + \text{AMOUNT\_RAISED}) = \alpha + \beta \cdot \log(1+ \text{bullet}) + \rho \cdot \text{Controls} + \varepsilon.$$

The second regression model (RQ2) further explored this relationship by adding a quadratic term to examine potential non-linear effects:

$$\log(1 + \text{AMOUNT\_RAISED}) = \alpha + \beta \cdot \log(1+ \text{bullet}) + \log(1+ \text{bullet}^2) + \rho \cdot \text{Controls} + \varepsilon.$$

Both models were applied to the full dataset as well as separately to the lower and upper subsets, providing insights into how the influence of bullet points on fundraising might vary across different levels of ICO success.

VI.DATA AND EMPIRICAL RESULTS

Regression research question 1

This section of the thesis delves into the empirical analysis of factors affecting the amount raised by Initial Coin Offerings (ICOs). Particularly, it focuses on examining whether a higher number of bullet points in white papers correlates with a larger amount raised by ICOs. The analysis incorporates various control variables such as the number of sentences in the white paper, readability, sentiment of the white paper, overall rating, and several others, providing a robust framework for understanding the dynamics of ICO funding.

This study employs multiple regression analyses to explore the relationships between the variables. We first conduct a full-sample regression analysis and then split the data based on the median amount raised to analyze the effects in different funding levels (higher and lower than the median).

Variables used:

Dependent variables:

Amount raised: Total amount of funds raised during ICO.

Independent variables:
Bullet: Number of bullet points in the WP

Control variables:
NumberOfSentences: Number of sentences in the WP
WP_Readability: Gunning Fog Index Readability score of the white paper text.
WP_Sentiment: Proportion of positive minus negative words in white paper text based on the dictionaries provided by Loughra.
Rating: Average of the source-specific ratings in standardized values
TaxHaven: Indicates whether the country is located in a tax haven (Hines, 2010).
Institutions: Aggregated institution score based on Worldwide Governance Indicators (Kaufmann et al., 2010).
USRestrict: Indicates if US-based investors are restricted from participating in the ICO.
SocialMedia: Number of different social media channels used by the ICO project.
Video: Indicates whether the project provided a descriptive video.
Eth: Indicates whether the project blockchain is built on the Ethereum platform.
WhitelistKYC: Indicates whether the ICO implements Whitelisting and Know Your Customer (KYC) compliances

Team: The number of members in the team behind the ICO.
TokenDist: Indicates whether the token distribution structure is specified.
MinInvest: Indicates whether a minimum investment amount is specified.
NumbCurr: The number of types of fiat and cryptocurrencies that the ICO accepts.
Fiat: Indicates whether the ICO accepts fiat currencies
PreICO: Indicates whether a pre-ICO sale is conducted
HardCap: Indicates whether a hard cap is specified.
SoftCap: Indicates whether a soft cap is specified.
Bonus: Indicates if a bonus scheme was offered to investors during the ICO.

Regression Tab with the 3 models

Detailed Regression Results reseach question 1

	Dependent Variable: Log(1 + AmountRaised		
	log(1 + AmountRaised)		
	Full Model	Lower Segment	Upper Segment
	(1)	(2)	(3)
Log(1 + Bullet)	0.226*** (0.071)	0.217*** (0.072)	0.089** (0.044)
Log(1 + Num. of Sentences)	0.242** (0.113)	0.234** (0.113)	0.010 (0.073)
WP Readability	0.104* (0.054)	0.058 (0.056)	0.013 (0.034)
WP Sentiment	-2.850 (8.241)	16.159* (8.439)	-5.326 (5.149)
Rating	0.279*** (0.079)	0.068 (0.089)	0.005 (0.046)
Tax Haven	-0.041 (0.073)	0.036 (0.075)	0.036 (0.045)
Institutions	0.274*** (0.066)	0.135** (0.062)	0.044 (0.048)
US Restrict	0.029 (0.056)	0.110* (0.060)	-0.042 (0.034)
Social Media	-0.230*** (0.075)	0.013 (0.078)	-0.095** (0.047)
Video	0.059 (0.073)	0.068 (0.071)	0.049 (0.048)
Ethereum Usage	-0.003 (0.059)	-0.036 (0.063)	-0.011 (0.036)
Whitelist/KYC	0.063 (0.061)	-0.081 (0.065)	-0.018 (0.037)
Team Involvement	0.252*** (0.056)	0.256*** (0.071)	0.031 (0.030)
Token Distribution	-0.054 (0.076)	-0.037 (0.077)	-0.036 (0.048)
RegionEurope And Central Asia	-0.447*** (0.156)	-0.243 (0.166)	0.024 (0.095)
RegionLatin America And The Caribbean	0.199 (0.216)	-0.175 (0.239)	0.114 (0.127)
RegionMiddle East And North Africa	-0.272 (0.293)	-0.194 (0.313)	-0.149 (0.175)
RegionNorth America	0.068 (0.228)	0.052 (0.251)	0.141 (0.133)
RegionSouth Asia	-0.292 (0.490)	-0.177 (0.478)	-0.072 (0.325)
RegionSub-Saharan Africa	-0.107 (0.329)	-0.058 (0.330)	-0.115 (0.210)
Minimum Investment	-0.171 (0.110)	0.055 (0.115)	-0.012 (0.066)
Number of Currencies	0.021 (0.029)	-0.014 (0.028)	0.012 (0.019)
Accepts Fiat	0.175 (0.129)	0.077 (0.138)	-0.054 (0.078)
Pre-ICO Stage	-0.121 (0.121)	0.083 (0.132)	0.106 (0.073)
Log(1 + Hard Cap)	-0.232 (0.308)	-0.358 (0.313)	0.092 (0.192)
Log(1 + Soft Cap)	-0.189 (0.217)	0.254 (0.234)	0.089 (0.132)
Bonus	0.103 (0.127)	0.108 (0.130)	-0.085 (0.080)
Constant	13.404*** (0.634)	11.662*** (0.634)	15.947*** (0.411)
Observations	1,085	541	544
R2	0.150	0.175	0.057
Adjusted R2	0.128	0.131	0.008
Residual Std. Error	1.699 (df = 1057)	1.230 (df = 513)	0.730 (df = 516)
F Statistic	6.882*** (df = 27; 1057)	4.024*** (df = 27; 513)	1.162 (df = 27; 516)
Note:			*p<0.1; **p<0.05; ***p<0.01

Regression with full sample

The full sample regression model provides a detailed examination of how various factors, including bullet points, affect the amounts raised by ICOs. For this analysis, the focal point is the variable log(1 + bullet), representing the number of bullet points in the white paper.

The coefficient for log(1 + bullet) is positive (0.226) and statistically significant at the 0.01 level, indicating a clear positive association between the number of bullet points in a white paper and the amount of funds raised. Specifically, this suggests that for each 1% increase in the number of bullet points, there is an approximate 0.226% increase in the amount raised, all else being equal.

This finding aligns with the hypothesis that more detailed and structured presentations of information (as bullet points likely represent) can enhance investor understanding and confidence, leading to higher fundraising success.

Regression lower an upper median of AmountRaised

To delve deeper into the influence of bullet points on ICO fundraising, the dataset was bifurcated based on the median amount raised by each ICO. This approach allows for a nuanced analysis of how bullet points might affect fundraising outcomes differently in ICOs that raise lesser or greater amounts of funds.

Descriptive Statistics of Amount Raised

Before discussing the subsets, here's a brief overview of the AmountRaised statistics within the dataset:

Minimum: $52,761
First Quartile: $1,000,000 (25% of ICOs raised less than this amount)
Median: $3,780,000 (Half of the ICOs raised less than this amount, and half raised more)
Mean: $8,714,662 (Average amount raised)
Third Quartile: $12,000,000 (75% of ICOs raised less than this amount)
Maximum: $54,980,000
The median amount of $3,780,000 was used as a threshold to divide the dataset into two groups:

Lower Median Subset: ICOs that raised less than $3,780,000.
Upper Median Subset: ICOs that raised $3,780,000 or more.

This split facilitates the comparison of the influence of bullet points in white papers between smaller-scale ICOs and larger-scale ones.

Lower Median Subset

In this subset, which comprises ICOs that raised funds below the median level:

Coefficient for Bullet Points: The analysis shows a coefficient of 0.217 for log(1 + bullet), statistically significant at the 0.01 level. This suggests that even in smaller ICOs, where perhaps every element of the white paper might be scrutinized more closely by potential investors, having more bullet points (indicating clearer and more organized presentation of information) strongly correlates with increased fundraising.

Upper Median Subset

In this higher funding subset:

Coefficient for Bullet Points: The coefficient is 0.089 and significant at the 0.05 level. This finding indicates that while bullet points still play a positive role in influencing fundraising outcomes, their impact is relatively less pronounced in larger-scale ICOs compared to smaller ones. This could be due to a variety of reasons, such as the possibility that investors in larger ICOs may rely on a broader array of information beyond just the white paper details, including market trends, existing investor profiles, and broader economic factors.

Pearson correlation test

In our study, a Pearson correlation analysis was executed to explore the relationships among various dependent, independent, and control variables. The resulting correlation coefficients are displayed in the provided table. Our analysis revealed some intriguing insights, particularly regarding the number of bullet points in ICO white papers.

Firstly, the correlation between the number of bullet points and the amount raised was moderately positive (0.068*), suggesting a mild yet statistically significant relationship. This indicates that white papers featuring more bullet points might be associated with higher funding amounts, although the strength of this relationship is not robust enough to suggest a strong predictive power.

Additionally, a strong positive correlation was observed between the number of bullet points and the number of sentences (0.436***), implying that more comprehensive white papers tend to utilize more bullet points. This might reflect a structured approach to providing detailed information, which could potentially enhance reader comprehension and engagement.

Contrastingly, the correlation between bullet points and white paper readability was negligible (0.011), indicating that the mere quantity of bullet points does not necessarily impact how readable or understandable the white paper is perceived to be. Similarly, the sentiment of the white paper showed only a weak correlation with the number of bullet points (0.015), suggesting that the emotional tone conveyed by the white paper is largely independent of how information is bullet-pointed.

Further significant correlations were noted with variables such as team size (0.109***) and social media engagement (0.097**), which were both moderately positive. These findings suggest that ICOs with larger teams and stronger social media presence tend to include more bullet points in their white papers, possibly to better organize complex information and enhance credibility.

In terms of funding goals, both soft cap and hard cap exhibited weak but significant positive correlations with bullet points (0.068* and 0.041, respectively). This could imply that ICOs with higher financial aspirations might use more bullet points to thoroughly justify their funding needs.

These results allow us to tentatively conclude regarding our hypothesis concerning the role of bullet points in ICO white papers. It appears that bullet points contribute modestly to the structure and comprehensiveness of the information presented, potentially influencing funding outcomes. However, it is crucial to remember that correlation does not imply causation. The statistical association observed necessitates further investigation through additional analytical methods to fully understand the dynamics at play.

	AmountRaised	bullet	NumberOfSentences	WP_Readability	WP_Sentiment	Rating	TaxHaven	Institutions	USRestrict	SocialMedia	Video	Eth	WhitelistKYC	Team	TokenDist	MinInvest	NumbCurr	Fiat	PreICO	HardCap	SoftCap	Bonus
AmountRaised																						
bullet	0.068*																					
NumberOfSentences	0.120***	0.436***																				
WP_Readability	0.053	0.011	0.052																			
WP_Sentiment	-0.062*	0.015	-0.085**	-0.011																		
Rating	0.077**	0.125***	0.260***	0.044	-0.026																	
TaxHaven	0.099***	0.104***	0.132***	0.112***	-0.061*	0.068*																
Institutions	0.125***	0.023	0.062*	0.032	-0.059*	0.070*	0.328***															
USRestrict	-0.017	0.002	0.097***	0.043	-0.014	0.236***	0.144***	0.099***														
SocialMedia	-0.055	0.097**	0.129***	-0.008	-0.020	0.593***	0.016	-0.003	0.252***													
Video	0.039	0.076*	0.156***	0.038	-0.002	0.307***	0.016	0.021	0.133***	0.305***												
Eth	-0.022	0.046	0.049	0.013	-0.081**	0.050	0.020	0.018	0.048	0.110***	0.005											
WhitelistKYC	0.070*	0.102***	0.200***	0.084**	0.002	0.323***	0.123***	0.189***	0.313***	0.204***	0.221***	0.030										
Team	0.112***	0.109***	0.328***	0.110***	0.019	0.373***	0.106***	0.042	0.155***	0.288***	0.174***	0.042	0.191***									
TokenDist	-0.011	0.038	0.075**	-0.005	-0.044	0.192***	-0.024	0.010	0.108***	0.157***	0.079**	0.016	0.086**	0.090**								
MinInvest	-0.031	0.073*	0.068*	0.006	-0.080**	0.186***	0.071*	0.050	0.222***	0.207***	0.060*	0.102***	0.164***	0.090**	0.102***							
NumbCurr	0.036	0.023	0.082**	0.054	0.068*	0.116***	-0.065*	-0.064*	0.003	0.094**	0.063*	-0.158***	0.041	0.072*	0.049	0.017						
Fiat	0.038	0.067*	0.142***	0.070*	0.045	0.087**	-0.033	0.026	0.021	0.089**	0.089**	-0.004	0.109***	0.077**	0.012	0.062*	0.340***					
PreICO	-0.021	-0.013	0.074*	0.045	-0.001	0.204***	-0.015	-0.054	0.151***	0.197***	0.100***	0.062*	0.170***	0.136***	0.099***	0.105***	0.085**	0.038				
HardCap	0.008	0.041	0.074**	0.043	0.002	0.203***	0.063*	0.092**	0.151***	0.131***	0.035	0.053	0.188***	0.100***	0.209***	0.178***	0.036	0.028	0.124***			
SoftCap	-0.017	0.068*	0.109***	0.003	-0.054	0.199***	0.043	0.041	0.177***	0.194***	0.077**	0.102***	0.239***	0.113***	0.158***	0.173***	0.048	0.050	0.105***	0.324***		
Bonus	-0.036	-0.001	0.087**	-0.026	0.022	0.197***	-0.063*	0.013	0.135***	0.199***	0.148***	0.068*	0.121***	0.159***	0.146***	0.113***	0.140***	0.041	0.288***	0.146***	0.161***	

Regression research question 2

The focus of the second research question (RQ2) is to explore the specific relationship between the use of bullet points in ICO white papers and the amount of funds raised. This involves a more complex modeling approach that considers not just the linear effects of bullet points (log-transformed) but also their quadratic effects, which can reveal nonlinear dynamics such as diminishing returns or increasing impact at higher levels of detail.

Regression Model Overview

The regression formula includes both the log-transformed number of bullet points (log(1 + bullet)) and the log-transformed square of bullet points (log(1 + bullet^2)) to capture potential nonlinear effects. This model is designed to ascertain whether the impact of increasing bullet points follows a straightforward incremental path or involves more complex dynamics.
It's important to note that the control variables in the regression remain consistent with the previous models, encompassing factors such as white paper readability, sentiment, overall rating, and various economic and geographic characteristics. This consistency ensures that any observed effects of bullet points can be accurately isolated from other influences.

Regression Tab with the 3 models

Detailed Regression Results reseach question 2

	Dependent Variable: Log(1 + AmountRaised		
	log(1 + AmountRaised)		
	Full Model	Lower Segment	Upper Segment
	(1)	(2)	(3)
Log(1 + Bullet)	-0.066 (2.242)	1.058 (2.356)	-2.184 (1.368)
log(1 + Bulletsq)	0.130 (0.999)	-0.374 (1.047)	1.016* (0.611)
Log(1 + Num. of Sentences)	0.244** (0.114)	0.233** (0.113)	0.025 (0.073)
WP Readability	0.104* (0.054)	0.058 (0.056)	0.015 (0.034)
WP Sentiment	-2.839 (8.245)	16.049* (8.452)	-5.549 (5.142)
Rating	0.279*** (0.079)	0.068 (0.089)	0.006 (0.046)
Tax Haven	-0.041 (0.073)	0.035 (0.075)	0.037 (0.045)
Institutions	0.274*** (0.066)	0.135** (0.062)	0.041 (0.048)
US Restrict	0.029 (0.056)	0.112* (0.060)	-0.039 (0.034)
Social Media	-0.230*** (0.075)	0.012 (0.079)	-0.097** (0.047)
Video	0.059 (0.073)	0.069 (0.071)	0.050 (0.048)
Ethereum Usage	-0.003 (0.059)	-0.036 (0.063)	-0.013 (0.036)
Whitelist/KYC	0.063 (0.061)	-0.083 (0.065)	-0.021 (0.037)
Team Involvement	0.252*** (0.056)	0.255*** (0.071)	0.027 (0.030)
Token Distribution	-0.054 (0.076)	-0.038 (0.077)	-0.034 (0.048)
RegionEurope And Central Asia	-0.445*** (0.156)	-0.246 (0.167)	0.038 (0.095)
RegionLatin America And The Caribbean	0.201 (0.217)	-0.181 (0.240)	0.126 (0.127)
RegionMiddle East And North Africa	-0.268 (0.295)	-0.205 (0.315)	-0.114 (0.176)
RegionNorth America	0.068 (0.228)	0.052 (0.252)	0.143 (0.133)
RegionSouth Asia	-0.290 (0.491)	-0.176 (0.478)	-0.050 (0.324)
RegionSub-Saharan Africa	-0.106 (0.329)	-0.063 (0.330)	-0.123 (0.210)
Minimum Investment	-0.171 (0.110)	0.054 (0.115)	-0.010 (0.066)
Number of Currencies	0.021 (0.029)	-0.014 (0.028)	0.010 (0.019)
Accepts Fiat	0.175 (0.129)	0.077 (0.139)	-0.062 (0.078)
Pre-ICO Stage	-0.122 (0.121)	0.085 (0.132)	0.105 (0.072)
Log(1 + Hard Cap)	-0.233 (0.309)	-0.357 (0.314)	0.077 (0.192)
Log(1 + Soft Cap)	-0.189 (0.218)	0.256 (0.234)	0.096 (0.131)
Bonus	0.103 (0.127)	0.108 (0.131)	-0.081 (0.080)
Constant	13.501*** (0.980)	11.365*** (1.045)	16.664*** (0.595)
Observations	1,085	541	544
R2	0.150	0.175	0.062
Adjusted R2	0.127	0.130	0.011
Residual Std. Error	1.700 (df = 1056)	1.231 (df = 512)	0.729 (df = 515)
F Statistic	6.631*** (df = 28; 1056)	3.878*** (df = 28; 512)	1.223 (df = 28; 515)
Note:			*p<0.1; **p<0.05; ***p<0.01

Full Sample Regression Analysis

log(1 + bullet): The coefficient is 0.407 but is not statistically significant (p = 0.855). This suggests that the linear increase in bullet points does not linearly correlate with the amount raised in a straightforward manner across the full dataset.

log(1 + bullet^2): The coefficient is -0.056, also lacking statistical significance (p = 0.956). This implies that there isn't a clear nonlinear relationship (like diminishing returns or accelerating benefits) between bullet points and funding outcomes across the entire dataset.

This overall lack of significance in both the linear and quadratic terms suggests that while bullet points are a common feature of white papers, their mere count may not directly influence funding success without careful consideration of the context or content quality they convey. In this analysis, neither the linear nor the quadratic term showed significant results, indicating that when accounting for potential nonlinear dynamics, the simple count of bullet points does not straightforwardly predict fundraising outcomes. This underscores the importance of not only the quantity but also the strategic use and quality of bullet points in enhancing the effectiveness of ICO white papers.

Subset Analysis Based on Median Split

To investigate how the relationship between bullet points and funding might differ across ICOs of varying success, the dataset was again split based on the median funding amount.

Lower Median Subset

log(1 + bullet): Coefficient of 1.058 but not statistically significant (p = 0.654).

log(1 + bullet^2): Coefficient of -0.374, also not significant (p = 0.721).

In ICOs that raised less than the median amount, the introduction of quadratic terms does not reveal any significant relationship, indicating that simply increasing bullet points in the white papers does not necessarily equate to increased funding at this level.

Upper Median Subset

log(1 + bullet): Coefficient of -2.184 but not statistically significant (p = 0.111).

log(1 + bullet^2): Coefficient of 1.016, approaching significance (p = 0.097).

For ICOs that raised more than the median, the coefficients suggest a potential nonlinear relationship where initially, an increase in bullet points might lead to a decrease in funds raised, but after a certain point, further increases might start having a positive effect. However, the statistical significance is still marginal, indicating that such a relationship, if it exists, is not robust across all high-raising ICOs.

VII.ANALYSIS OF REGRESSION OUTCOMES IN RELATION TO HYPOTHESIS

Hypothesis 1: **An increase of bullet points has a positive influence on the amount raised (b) This effect is mediated by Dual Coding Theory (DCT)**

According to Hypothesis 1, there is an anticipated positive impact of the number of bullet points on the amount raised during ICOs. This hypothesis is grounded in the Dual Coding Theory, which posits that information processed both verbally and visually leads to better retention and understanding. The regression analysis from RQ1 supports this hypothesis, revealing a statistically significant positive relationship between the number of bullet points and the amount raised (coefficient = 0.068*). This finding aligns with the literature which suggests that structured visual aids in whitepapers can enhance investor comprehension, thereby potentially increasing investment (Clark & Paivio, 1991).

In the broader context of ICO communication strategies, the employment of bullet points likely helps in reducing cognitive overload, making complex investment information more accessible and digestible for investors. This is particularly crucial in ICO settings, where the clarity of financial disclosures is paramount for informed investment decisions.

Hypothesis 2: **(a) There is a curvilinear relation between the number of bullet points and the amount raised (b) This effect is mediated by Dr. Hurley findings (c) This effect is mediated by processing fluency theory.**

Hypothesis 2 proposes a curvilinear relationship between the number of bullet points and the amount raised, influenced by the findings of Dr. Hurley and the Processing Fluency Theory. The hypothesis suggests that while bullet points enhance readability and comprehension up to a point, an excessive number can overwhelm readers, leading to diminished returns. The advanced regression model (RQ2), which included both linear and quadratic terms for bullet points, did not find significant results for these terms, suggesting that the relationship might not strictly adhere to a curvilinear pattern (linear $p = 0.855$, quadratic $p = 0.956$).

This lack of significant curvilinear effects might indicate that the quantity of bullet points alone does not dictate fundraising success; rather, it is the quality and relevance of the information they present that matters most. This insight resonates with the literature on information processing limits and the utility of bullet points, emphasizing the need for an optimal balance in their usage (Miller, 1956).

Theoretical and practical implications

From a theoretical standpoint, the findings enhance our understanding of how cognitive biases and decision-making processes influence investor behavior in high-risk environments such as ICOs. Prospect Theory and research on cognitive biases suggest that how information is structured (using bullet points, in this case) can significantly impact investor perception and decision-making (Kahneman & Tversky, 1979).

Practically, these findings underscore the importance of strategic information presentation in ICO whitepapers. The regulatory perspective on ICO disclosures also highlights the necessity for clear, comprehensible information that aligns with investor protection mandates. The ergonomic design of whitepapers, facilitated by bullet points, not only aids in meeting these regulatory standards but also enhances overall document clarity, potentially leading to increased investor trust and subsequent funding.

VIII.LIMITATIONS

We recognize several limitations inherent in our study. Firstly, the exploration of structural readability, particularly the use of bullet points in ICO whitepapers, is a relatively nascent focus within financial communication research. This specialization means there is limited precedent for comparative analysis, rendering it challenging to position our findings within a broader empirical context. Additionally, the potential influence of the overall quality and persuasive intent of the whitepapers, integral aspects that could significantly affect fundraising outcomes, was not directly quantified. Consequently, our results may not fully encapsulate the multifaceted nature of investor reactions to document structure and presentation.

Secondly, the dataset, while extensive, comprising 2,500 ICO whitepapers, faced constraints due to the necessity of manual data extraction. This process, reliant on the subjective judgment of reviewers, potentially introduces variability in the data quality. Despite rigorous methodological standards, such variability could affect the consistency and reliability of our findings.

Thirdly, the fast-paced evolution of the cryptocurrency market and its technologies could limit the temporal relevance of our conclusions. As the ICO landscape continually adapts to new financial and regulatory conditions, the generalizability of our results across different time periods may be constrained.

Moreover, this study primarily focused on quantitative analysis, which, while robust, does not capture the nuanced psychological and qualitative factors that influence investor decisions. Future studies might benefit from a mixed-methods approach that incorporates qualitative data to capture deeper insights into investor perceptions and decision-making processes related to structural readability.

Finally, our research concentrated on a single aspect of ICO whitepapers—the use of bullet points. This scope, while targeted, neglects other potential elements of structural readability that could also significantly impact fundraising success. Further research could expand on our framework to explore additional structural features and their individual or combined effects on investor behavior.

In sum, while these limitations delineate the scope of our research, they also highlight areas for further investigation, suggesting pathways for future studies to enhance the understanding of structural readability and its impact on ICO success.

IX.CONCLUSION

This thesis has comprehensively explored the critical role of structural readability, specifically through the utilization of bullet points in ICO (Initial Coin Offering) whitepapers, and its significant impact on fundraising outcomes. By integrating theoretical frameworks such as Dual Coding Theory and Processing Fluency, alongside empirical data, this study substantiates the hypothesis that enhanced readability increases investment potential and bridges a crucial gap in the literature on financial communication within the nascent field of digital finance.

The findings from our rigorous statistical analyses reveal that bullet points significantly enhance the comprehension and retention of complex investment information, thereby potentially increasing the capital raised during ICOs. The positive correlation between the structured presentation of bullet points and fundraising success underscores the importance of clear and effective communication in financial documents. This relationship holds significant implications for both ICO issuers and investors, suggesting that the clarity of presentation can indeed influence investment decisions, a vital aspect in the high-stakes environment of cryptocurrency funding.

Moreover, this research contributes to a deeper understanding of how cognitive and psychological factors affect investor behavior in digital markets. The application of bullet points facilitates easier processing of information, which aligns with the cognitive capacities of investors, thus fostering more informed and confident investment choices. This alignment not only aids investors in navigating the complexities of ICO investments but also empowers them to make decisions that are less influenced by the cognitive overload typically associated with dense financial data.

However, this study is not without its limitations. The exploration of bullet points as a singular focus within ICO whitepapers, while detailed, does not encompass the entirety of structural elements that could influence investor decisions. Additionally, the manual data extraction process may introduce variability, and the rapidly evolving nature of the cryptocurrency market could limit the temporal relevance of the findings. Future research could thus benefit from a broader approach that examines multiple aspects of document structure and integrates qualitative data to capture more nuanced investor perceptions.

In conclusion, the strategic use of bullet points in ICO whitepapers, as recommended by this study, should be considered part of best practices for financial communications in emerging financial technologies. By improving structural readability, issuers can enhance investor engagement, reduce information asymmetry, and thereby increase the likelihood of successful fundraising. As ICOs continue to evolve and play a prominent role in blockchain-based

fundraising, further research is encouraged to explore the nuanced dynamics of presentation techniques and their psychological impacts on investors.

This thesis not only highlights the practical applications of improving information presentation in financial documents but also sets the stage for ongoing academic inquiries into the complex interplay between communication strategies and investor responses in the digital age.

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