When the Wind Picks Up: Technology Hype and Entrepreneurial Survival Outcomes

ABSTRACT

This paper examines how hype around emerging technology affects whether new ventures position themselves under a technology label and their subsequent survival. It conceptualizes technology hype as a shared surge of excitement about a technology's future that attracts attention and resources but also amplifies risks when the promises exceed verifiable progress.

Empirically, this study investigates how blockchain hype shaped the entry positioning and survival outcomes for 5,527 U.S. Financial Technology startups founded between 2012 and 2020 (tracked through 2024). We develop a novel measure of hype, constructed from 33,651 news articles, that tracks shifts in attention, hyperbolic language, and future-oriented claims about blockchain technology. The results indicate that although much of the hype is generated outside of fintech, it still creates a fragility trap. The rising hype attracts more technology-positioned startups, especially those with a higher proportion of technical-oriented founders than business-oriented founders, but they face a higher failure risk and a faster time to failure. This pattern is consistent with the idea that heightened hype draws resources but also relaxes screening standards and raises the performance bar. It also shows that hype components have different effects. The hyperbolic and confident future claims are associated with a higher risk of failure and a faster time to failure compared to the possibility-oriented "could be" claim

This study highlights technology hype as an important but understudied factor that shapes selection processes in nascent markets. It shows that hype has a dual effect as a resource catalyst and an ecological distorter, highlighting that resource-rich environments do not necessarily buffer firms from failure but instead attract structurally vulnerable ventures.

INTRODUCTION

Emerging technologies are often commercialized in nascent markets where benchmarks are unsettled and early performance is hard to verify (Benner & Tripsas, 2012; McDonald & Eisenhardt, 2020). In these information-sparse environments, entrepreneurs, investors, and other market intermediaries rely on discursive signals, including media coverage, expert commentary, and public narratives, to anchor beliefs about a technology's potential (Aldrich & Fiol, 1994; Suchman, 1995). These signals, however, are rarely neutral. As these beliefs circulate, they generate technology hype, a self-reinforcing collective expectation around a technology that inflates perceived potential beyond what current evidence supports.

Hype has long existed in emerging technology markets. Historical examples, from the 1840s railway mania to the 1990s dot-com bubble, show how speculative enthusiasm can drive technological adoption while simultaneously sowing systemic risks (Goldfarb & Kirsch, 2019). More recently, there has been a surge of hype around blockchain and artificial intelligence (AI), with ambitious claims that blockchain will disrupt traditional finance and AI will transform sectors from banking to wealth management.

However, it remains unclear whether hype ultimately strengthens or weakens entrepreneurial activity at the market level. As prior research has examined hype primarily as either a venture-level rhetorical resource (Hampel & Dalpiaz, 2025; Heupel et al., 2024; Rady et al., 2025; Wood et al., 2024) or a broader cycle of expectations and attention (Byrne & Giuliani, 2025; Dedehayir & Steinert, 2016; Logue & Grimes, 2022; Pontikes & Barnet, 2017; van Lente et al., 2013), we know much less about how intensifying collective expectations shape market selection, and we lack scalable measures that capture hype as a dynamic collective condition over time.

This paper examines how technology hype shapes whether ventures adopt a technology label at entry, alters the composition of entrant founding teams, and subsequently affects how those

ventures perform. Building on work that conceptualizes technology hype as a dynamic, collective process (Garud et al., 2026; Logue & Grimes, 2022), this paper treats hype as a time-varying, field-level evaluative condition that is articulated and amplified through broader audience participation and defines it as self-reinforcing collective expectations around a technology characterized by exaggerated and future-oriented claims.

We argue that hype operates as a double-edged force that expands market participation in the short run while making post-entry survival more fragile in the long run. When collective expectations intensify, more ventures enter by aligning with a celebrated technological narrative to increase perceived legitimacy and attract resources (Borup et al., 2006; Garud et al., 2014; Logue & Grimes, 2022; Pontikes & Barnett, 2017). As hype relaxes the commercial validation requirements that normally constrain entry, it selectively enables ventures whose founding teams possess the technical capability to build around the focal technology but may lack established commercial proof. This shifts the composition of entrants toward more technically oriented founding teams, not because technical founders are more susceptible to hype, but because hype temporarily lowers the barrier that was binding on their entry (Beckman, Burton, & O'Reilly, 2007; Colombo & Grilli, 2005; Shane, 2000).

The same shifts in evaluation that encourage entry also create downstream vulnerabilities. As hype shifts evaluation away from demonstrated capability and toward future promise, it relaxes screening at entry while raising expectations that many ventures may ultimately fail to meet (Garud et al., 2014; Murray & Fisher, 2023; Pontikes & Barnett, 2017). Once the enthusiasm dies down, stakeholders who initially committed based on promissory narratives may withdraw support sharply from ventures whose progress falls short (Logue & Grimes, 2022; Ometto et al., 2023; Wood et al., 2024; Spivack et al., 2025), which increases the risk of failure and accelerates closure.

Empirically, we construct a firm-quarter survival panel of 5,527 U.S.-based fintech startups founded between 2012 and 2020 and track their survival outcomes through 2024. Fintech is a useful

context because startups face high technological and regulatory uncertainty and depend heavily on early external evaluation. Blockchain is a suitable technology because its promised value was difficult to verify early on. As blockchain hype during this period was largely generated outside fintech by broader crypto-technology developments, this study treats it as a condition to which fintech entrants were exposed, rather than as one they created at the time of entry. To operationalize hype, we develop a measure of discursive momentum that captures quarter-to-quarter changes in hype-related claims across 33,651 news articles.

The results show that periods of higher blockchain hype are associated with disproportionately greater entry by blockchain-positioned fintech ventures relative to non-positioned ventures founded in the same periods. Hype also appears to alter the composition of entrants. Under heightened technology hype, blockchain-positioned ventures exhibit a significantly higher proportion of technically oriented founders, while the proportion of business-oriented founders shows no significant difference in response, which is consistent with the capability-opportunity matching mechanism in which hype expands entry opportunities specifically for founders with the focal technology-aligned technical skills. However, the same conditions that expand entry also appear to make those entry cohorts more fragile, as higher founding-time hype is associated with greater subsequent failure risk and shorter time to closure among blockchain-positioned ventures. Additionally, the linguistic form of hype matters. Both hyperbolic and commitment-oriented claims (e.g., "blockchain will transform finance") accelerate failure more than possibility-oriented claims (e.g., "blockchain could improve efficiency"). This is consistent with the argument that commitment-oriented claims set more rigid benchmarks that ventures must meet, while possibility-oriented claims leave more room for interpretive flexibility and adaptations as the technology evolves.

This study makes three contributions. First, it extends research on industry evolution (Gort & Klepper, 1982; Klepper, 1997) by documenting how collective narratives, such as technology hype,

are a theoretically important but understudied force in market selection. This study theorizes how hype is a double-edged field-level condition and shows how the same conditions that ease entry simultaneously tighten survival standards. In doing so, it highlights how a collective narrative can move real markets before underlying performance has stabilized, reshaping not only which ventures enter but also which survive. Supplementary analysis also shows that the linguistic form in which expectations are articulated matters as much as their intensity in shaping survival outcomes.

Second, hype changes not only the volume of entry, but also the composition of entrants. This study shows that, during periods of higher hype, entry under the focal technology label becomes more concentrated among ventures with founding teams that are proportionally more technical than business-oriented. This suggests that heightened hype may attract ventures with the technical capacity to build around an emerging technology, even when its commercial viability remains less clear. The weaker response among ventures with more business-oriented founding teams further suggests that hype may expand participation before a clear business case has stabilized.

Third, it advances hype research by making hype empirically tractable as a dynamic field-level condition. By developing a scalable measure that tracks the discursive momentum, the study captures not just whether a technology is being discussed, but whether collective expectations are intensifying over time. It moves the literature beyond static proxies such as attention, sentiment, or firm-level rhetoric. It enables direct tests of how changes in collective expectations shape entrepreneurial entry, evaluation, and post-entry survival.

Together, these findings reveal that the narrative surrounding a technology's future acts as a powerful selection mechanism, shaping entrepreneurs' decisions and investor screening in ways that determine which ventures survive.

THEORETICAL DEVELOPMENT

Hype Literature Review

Research on hype spans multiple literatures that differ in their level of analysis and theoretical emphasis. In entrepreneurship, hype has been examined primarily at the venture level, where it is treated as a cultural resource that entrepreneurs deploy through promotional narratives and future-oriented rhetoric to mobilize resources and gain legitimacy (Heupel et al., 2024; Rady et al., 2025; Spivack et al., 2025). Within these firm-level analyses, scholars have emphasized different features of hype, ranging from rhetorical elements such as future temporal orientation (Garud et al., 2014; Rady et al., 2025; Wood et al., 2024) and exaggeration (Rady et al., 2025) to behavioral elements such as entrepreneurial swagger (Heupel et al., 2024) and hubristic organizational culture (Hampel & Dalpiaz, 2025). At a more collective level, while practitioner models such as the Gartner Hype Cycle capture how an initial technology trigger progresses through a peak of inflated expectations, a trough of disillusionment, a slope of enlightenment, and eventually a plateau of productivity (Dedehayir & Steinert, 2016), it is primarily descriptive, overly linear on the temporal dynamics of hype, and does not theorize the mechanisms through which hype shapes market-level outcomes (Borup et al., 2006; van Lente et al., 2013).

Scholars in the sociology of expectations and socio-technical transitions have moved beyond describing hype cycles to examine how shared expectations do more than describe the future (Borup et al., 2006; van Lente et al., 2013). In a nascent market where there is high uncertainty and limited material proof of progress, shared expectations does not just describe the future, but actively shapes the future through promote collaboration among different actors, such as scientists, media, investors, and policymakers, toward a desired future through affecting research agendas on the technology, attracting funding, and setting technical priorities long before there is demonstrated progress (Borup et al., 2006; Kriechbaum et al., 2021; Logue & Grimes, 2022; Ometto et al., 2023; van Lente et al.,

2013). As more key actors are drawn to the vision, it triggers information cascades, where stakeholders commit resources based on the assumption that other market actors have already conducted sufficient due diligence (Borup et al., 2006). At the same time, the cascading commitment gradually translates the promises embedded in that vision into standards against which actors are judged and into implied timelines that firms are required to meet (Borup et al., 2006; Logue & Grimes, 2022; van Lente et al., 2013). As these expectations frequently overstate what a technology can deliver in the near term, they tend to produce recurring cycles of enthusiasm, disappointment, and readjustment (Dedehayir & Steinert, 2016; Garud et al., 2026; van Lente et al., 2013).

Recent work has begun to integrate these venture-level and field-level perspectives. Garud et al. (2026) argues that while individual entrepreneurs' rhetoric may initially spark hype, once it crosses a threshold, it enters a broader "state of hype" (p. 3) that acquires its own momentum and follows a trajectory of upswing, downswing, and possible revival. Logue and Grimes (2022, p. 1056) similarly define hype as "a collective vision and promise of a possible future, around which attention, excitement, and expectations increase over time." However, there still lacks conceptual clarity remains limited regarding how hype differs from related phenomena such as optimism, buzz, or bandwagons (Garud et al., 2026), which makes it difficult to theorize why hype, as opposed to general market positivity, creates a distinctive form of fragility in which legitimacy is easy to gain but fast to lose.

Building on this process-based view, we conceptualize technology hype as self-reinforcing collective expectations about a technology, manifested in exaggerated, future-oriented claims that inflate perceived potential beyond available evidence. This conceptualization foregrounds four properties. Hype is collective, as it is a shared interpretive condition rather than a property of any single firm. It is dynamic as expectations intensify and recede over time. It is prospective, as it centers on expected potential rather than realized performance. The prospective quality is particularly important because it shapes how ventures are evaluated, what they are expected to deliver, and how

quickly expectations turn against them when progress lags (Garud et al., 2026; Logue & Grimes, 2022). And it is self-reinforcing (Logue & Grimes, 2022), which cases expectations to compound faster than capabilities that can widen the gap between promise and reality.

These properties distinguish hype from related phenomena. Unlike general optimism, hype involves self-reinforcing momentum in which positive claims beget further positive claims. It differs from fads and bandwagons, which are driven primarily by social imitation (Abrahamson, 1991, 1996), and from buzz, which centers on heightened visibility and informal talk (Kozinets et al., 2010). Hype is organized around promissory expectations anchored in a technology's anticipated future value, and these expectations function not merely as predictions but as quasi-commitments that audiences hold ventures accountable for (Borup et al., 2006; van Lente et al., 2013). This accountability makes hype double-edged: the same expectations that mobilize resources at entry also set the benchmarks against which ventures are evaluated after entry. Finally, while financial bubbles are revealed through asset-price dynamics (Goldfarb & Kirsch, 2019), hype is articulated and coordinated primarily through discourse, which is why its linguistic form matters for how ventures are subsequently judged.

Hype and Entrepreneurial Entry

Hype organizes collective attention and consolidates a shared frame for what a technology can become before its performance can be verified (Borup et al., 2006; Garud et al., 2026; van Lente et al., 2013). It encourages new ventures to enter a focal technology category by making the category more appealing to position within, and by loosening the evaluative standards applied by stakeholders.

The first mechanism operates through entrepreneurial cognition. Entrepreneurs are attracted to categories that appear promising and socially endorsed, as positioning within these categories helps mitigate the liability of newness (Lounsbury & Glynn, 2001; Navis & Glynn, 2011; Wry et al., 2011; Pontikes & Barnett, 2017). As hype circulates around a technology's promising future, it enhances the salience and legitimacy of the focal category (Dedehayir & Steinert, 2016; Logue & Grimes, 2022;

Wood et al., 2024). Logue and Grimes (2022) conceptualize hype as a short-term "unbounded cultural resource" that is "abstract" and "diffuse" (p. 1059). This abstraction directs stakeholder attention toward a collective vision of technological futures rather than specific, immediate applications. Because hype operates at this level of abstraction, ventures can position themselves as central to the technological future without needing to demonstrate a validated use case, temporarily suspending stakeholder concerns regarding technical feasibility (Garud et al., 2014; Logue & Grimes, 2022; McDonald &Eisenhaardt, 2020; Pontikes & Barnett, 2017).

The second mechanism operates through the external evaluative environment. As hype builds around a technology, it shapes collective beliefs about the viability of the associated market category (Borup et al., 2006; Garud et al., 2026; Kriechbaum et al., 2021; Logue & Grimes, 2022; Pontikes & Barnett, 2017). Pontikes and Barnett (2017) show that when a broad consensus emerges that a market is promising, decision-makers overweigh the market's potential and underweight whether a given venture is actually well-suited to compete in it. The selection threshold for entry drops when the category itself appears attractive, as stakeholders no longer demand precise evidence of product-market fit (Garud et al., 2014; Logue & Grimes, 2022; Pontikes & Barnett, 2017). This loosening of evaluative standards is further reinforced by the flow of capital into the category, as venture capitalists also herd into markets perceived as high potential (Pontikes & Barnett, 2017), easing early-stage funding constraints and lowering practical barriers to entry (Goldfarb & Kirsch, 2019; Murray & Fisher, 2023).

Taken together, hype widens the pool of ventures drawn toward the category while simultaneously lowering the bar that evaluators apply. Hype should therefore generate disproportionate entry into the focal technology category. Thus, we hypothesize:

Hypothesis 1 (H1): During periods of higher technology hype, entry by blockchain-positioned fintech ventures increases relative to entry by otherwise similar fintech ventures that are not blockchain-positioned in the same quarter.

Hype and Founder Composition

Beyond expanding the pool of entrants, hype also functions as a selection mechanism that shapes the composition of entering ventures. Because founders with different professional backgrounds and prior knowledge interpret emerging opportunities differently (Kaplan & Tripsas, 2008; Shane, 2000; Shepherd & DeTienne, 2005), we argue that hype disproportionately attracts founding teams with a higher proportion of technically oriented founders than business-oriented founders.

Following Gruber et al. (2013), we define technically oriented founders as those with deep training in science or engineering. As their expertise lies in technological problem-solving, these individuals are cognitively equipped to prioritize functional possibilities over immediate market validation. It is easier for them to envision imagined futures where a nascent technology addresses fundamental problems even when commercial pathways remain unclear (Beckert, 2016). During periods of intense hype, the prevailing discourse emphasizes technological potential over current utility, which aligns with the technical founder's cognitive orientation toward what a technology could eventually achieve.

In contrast, business-oriented founders evaluate opportunities by looking for clear signals of commercialization readiness (Gruber et al., 2013). Their assessment frameworks are built around measurable indicators such as customer demand, revenue models, and competitive positioning, tools designed to manage market risk rather than technical feasibility (Kaplan & Tripsas, 2008). When hype inflates expectations beyond what commercial traction can substantiate, these market-based frameworks become less useful as evaluative tools. Because business-oriented founders rely on measurable milestones to anchor resource allocation and to price risk, hype undermines their ability to exercise their core competency in managerial optimization, making them comparatively less willing to enter the market.

Taken together, we expect that different cognitive frames would lead actors to assess the technology opportunities under uncertainty differently (Kaplan & Tripsas, 2008), and hype amplifies this divergence by privileging the technical frame over the commercial frame. This is consistent with Ometto et al.'s (2023) observation that commercially oriented actors in the nanotechnology field began to distance themselves from the technology when hype-driven expectations outpaced verifiable evidence of commercial viability, even as technically oriented scientists continued to push forward. Thus, as hype intensifies, the composition of entering cohorts should shift toward more technically oriented founding teams. Therefore, we hypothesize:

Hypothesis 2 (H2): The positive relationship between technology hype and entry under a focal technology label is stronger for ventures with more technically oriented founding teams than for ventures with more business-oriented founding teams.

Hype and Venture Survival

As hype shifts evaluative focus toward future-oriented promises rather than demonstrated capability, it creates longer-term downstream vulnerabilities for ventures that entered during periods of heightened hype. This fragility stems not merely from the fact that some of these ventures would not have entered under normal evaluative conditions, but from how hype shapes the collective expectations against which all ventures are subsequently judged.

As argued above, hype lowers the selection threshold for entry, allowing ventures to secure resources by aligning with the prevailing narrative rather than demonstrating capability (Pontikes & Barnett, 2017; Murray & Fisher, 2023). Some of the ventures admitted under these relaxed conditions will have a weaker underlying fit with the category than those that would have entered under more stringent evaluation. At the same time, the legitimacy conferred during these periods creates its own liability. The very endorsements that enabled entry become benchmarks against which future performance will be measured (Borup et al., 2006; van Lente et al., 2013), and as Logue and Grimes

(2022) show, the expectations hype generates couple venture identity with temporal and categorical benchmarks eventually, narrowing the space for adjustment as those expectations go unmet.

When enthusiasm dissipates and evaluative standards normalize, the narrative alignment that justified entry no longer provides sufficient cover. Evaluators reassess ventures more stringently and withdraw support from those whose progress falls short of what was anticipated (Garud et al., 2014; Logue & Grimes, 2022; Ometto et al., 2023; Spivack et al., 2025). When entrepreneurial claims exceed what ventures can credibly deliver, the resulting backlash from unmet expectations can be severe (Wood et al., 2024). Because hype-peak entry cohorts contain a higher proportion of weakly fitted ventures, and because the legitimacy that enabled their entry carries its own liability, these cohorts will exhibit higher aggregate failure rates once the evaluative environment tightens. Thus, we hypothesize:

Hypothesis 3.1 (H3.1): Founding during periods of higher technology hype increases the probability of failure for blockchain-positioned fintech ventures relative to otherwise similar non-blockchain-positioned ventures founded in the same periods.

Hype affects not only which ventures fail but also the speed of that failure. Van Lente et al. (2013) build on the performative nature of expectations to demonstrate that the promises embedded in a hype cycle establish specific benchmarks against which progress is evaluated. During the founding stage, high excitement creates a wide gap between the collective narrative's speculative promises and the venture's actual technical capabilities. Stakeholders who invest resources based on these inflated expectations demand visible progress more quickly and are less willing to tolerate the extended experimentation that emerging technologies require (van Lente et al., 2013; Logue & Grimes, 2022). The longer this gap remains, the more challenging it becomes to justify, as the passage of time without demonstrable progress is viewed as evidence that the initial promise was unfounded (Wood et al., 2024).

When there is a big gap between anticipated and realized performance, the resulting reversal in enthusiasm triggers a legitimacy collapse that compresses the time from initial distress to exit (Logue

& Grimes, 2022; Fisher et al., 2016; Wood et al., 2024; Zuzul & Tripsas, 2020). During hype, the prevailing discourse is shared among many market participants, producing what Logue and Grimes (2022) term salient social proof. While salient social proof provides businesses with the flexibility to adapt their business models, it also limits their temporal flexibility as stakeholders who endorsed the venture based on the external momentum in expectation, they would anticipate faster evidence of progress during heightened hype (Logue & Grimes, 2022). Spivack et al. (2025) provide empirical evidence for this dynamic by showing how hype go through the three-phase, including rapid legitimacy gain during the upswing, the bursting of this bubble, and then accelerated legitimacy loss. They found that same heightened visibility that amplified the venture's standing during the upswing now amplifies its shortcomings during the downswing, making the speed of loss disproportionate to the original gain.

Taken together, these dynamics suggest that ventures founded during periods of heightened hype not only face greater probability of failure but also experience a compressed timeline from founding to exit, as inflated expectations accelerate the withdrawal of stakeholder support. We hypothesize:

Hypothesis 3.2 (H3.2): Conditional on failure, blockchain-positioned fintech ventures founded during periods of higher technology hype will have shorter survival times from founding to failure relative to otherwise similar non-blockchain-positioned ventures founded in the same periods.

EMPIRICAL CONTEXT: BLOCKCHAIN IN FINTECH

This study examines the relationship between technology hype and entrepreneurial outcomes in the context of blockchain positioning among U.S. fintech startups. Financial technology (fintech) firms are ventures that use digital technologies to deliver or improve financial products and services. As an emerging industry, fintech is characterized by substantial technological and regulatory uncertainty. Many core dimensions of performance, such as risk management quality, fraud control, regulatory compliance, and reliability at scale, are challenging to validate before a venture accumulates operating history or transaction volume. As a result, early-stage evaluation in fintech relies heavily on

forward-looking judgments and proxy signals of capability rather than on demonstrated performance (Benner & Tripsas, 2012; McDonald & Eisenhardt, 2020).

Blockchain technology is a distributed ledger system that records transactions in a shared, append-only database maintained across a decentralized network (Yaga et al., 2018). Its core features-including tamper-resistant recordkeeping, decentralized consensus, and programmable smart contracts-hold the potential to improve efficiency, transparency, and disintermediation across financial activities such as payments and lending (Catalini & Gans, 2020; Narayanan et al., 2016). At the same time, these promises are challenging to verify ex ante. Many blockchain applications depend on coordination across multiple actors, evolving technical standards, and regulatory fit, with realized performance often lagging behind early expectations (Yaga et al., 2018; World Economic Forum, 2018). This combination of high perceived potential and low initial verifiability creates conditions in which collective expectations can outpace demonstrated capabilities, making blockchain particularly susceptible to hype dynamics (Borup et al., 2006; Logue & Grimes, 2022).

To capture hype as a collective expectations environment, this study draws on media discourse about blockchain. When media discourse around a technology gains momentum, it reflects the emergence and intensification of shared expectations that shape how entrepreneurs, investors, and other audiences interpret the technology. Accordingly, we measure technology hype by tracking changes over time in hyperbolic claims and future-oriented claims in blockchain-related media coverage. The analysis focuses on the period from 2012 to 2020, which captures the first major wave of blockchain-related hype (Gartner, 2024).

During this period, the broader blockchain narrative was mainly shaped outside the fintech sector itself, through developments in the crypto-technology domain such as cryptocurrency price cycles, initial coin offerings (ICOs), and platform-level narratives about decentralization, rather than by fintech-specific venture activity. We therefore treat blockchain hype as a field-level expectations

environment that fintech entrants were exposed to at founding, rather than as an outcome driven by contemporaneous fintech entry or performance.

DATA & MEASURES

Data & Sample

This study examines U.S.-based fintech startups founded between April 28, 2012, and December 31, 2020. The observation window begins in April 2012, corresponding to the first sustained appearance of blockchain-related coverage in the media corpus used to construct the hype measures, and ends in December 2020. This period captures the whole arc of the first major blockchain hype cycle while avoiding contamination from the distinct, NFT-driven attention shock that began in early 2021. Focusing on founding cohorts within this window allows me to examine how variation in exposure to blockchain hype at founding is associated with subsequent entry and survival outcomes.

The firm-level sample is drawn from Crunchbase and comprises 5,527 U.S.-headquartered startups. Firms are identified as fintech startups using Crunchbase industry labels containing "fintech." To capture heterogeneity within fintech while preserving comparability across firms, startups are further assigned to eight fintech verticals: payments technology, digital banking, digital lending, equity crowdfunding, digital wealth management, capital markets technology, insurance technology (Insurtech), and property technology (Proptech) (Imerman & Fabozzi, 2020). Detailed definitions and classification rules for each vertical are reported in Appendix A, which is available upon request.

Firms are classified as blockchain-positioned fintech ventures based on their industry-group assignments in Crunchbase, which capture ventures' externally visible technological positioning at or near the time of founding. Specifically, firms assigned to the Blockchain & Cryptocurrency industry group-including Bitcoin, Blockchain, Cryptocurrency, Decentralized Finance (DeFi), Ethereum, Non-Fungible Token (NFT), Smart Contracts, and Web3-are coded as blockchain-positioned. This

classification reflects public positioning and category affiliation, rather than verified post-entry implementation, and is therefore appropriate for studying evaluative processes faced by ventures at entry. All remaining fintech startups are classified as non-blockchain-positioned ventures.

To capture the collective discursive environment surrounding blockchain, we assemble a large corpus of English-language, U.S.-based media coverage from the U.S. Newsstream collection using TDM Studio. Articles are identified by mentions of "blockchain" or "blockchains," capturing public discourse that explicitly references the technology. Consistent with prior media-based analyses of blockchain-related expectations (Cahill et al., 2019; Cheng et al., 2019; Liu et al., 2022), this corpus reflects the shared expectations environment that entrepreneurs and evaluators were exposed to during the study period. The initial query yields 36,426 articles published between April 28, 2012, and December 31, 2020. After removing duplicate records, recurring non-editorial boilerplate content, and empty or irrelevant texts, the final corpus consists of 33,651 articles, with each article is assigned to a calendar quarter based on its publication date, and all media-based measures are aggregated to the technology-quarter level.

Measuring Technology Hype

As technology hype is conceptualized as a dynamic, collective state, characterized by hyperbolic claims and future-oriented claims articulated in public discourse, We operationalize it as discursive momentum, defined as the first-order change in media-based indicators over time. This approach captures when collective expectations are intensifying and becoming self-reinforcing at the field level, rather than merely reflecting a high but stable level of attention or optimism.

To measure this construct, we employ large-scale text analysis that combines dictionary-based matching with lightweight surface-syntactic patterns. The analysis focuses on two core discursive features of hype: hyperbolic claims and future-oriented claims. We further distinguish between

commitment-oriented and possibility-oriented future claims to capture variation in the strength of projected futures and the implied accountability of the speaker.

Throughout, we treat claims as discursive acts and operationalize them using observable linguistic expressions in text. Individual expressions do not constitute claims on their own; rather, the accumulation of such expressions within and across articles reflects the presence and intensity of underlying discursive claims in the broader expectations environment.

Hyperbolic claims capture rhetorical exaggeration that amplifies perceived magnitude, novelty, or inevitability while loosening the connection between claims and verifiable evidence. Following Claridge (2011, p. 5), hyperbole is defined as a linguistic expression that "exceeds the (credible) limits of fact in the given context". Hyperbole is a central discursive feature of hype because it amplifies the perceived magnitude and inevitability of a technology's potential, often outpacing what can be supported by available evidence at the time. Building on Claridge's (2011) typology, we operationalize six categories of hyperbolic words for each article, including single-word, phrasal, numerical, superlative, repetition-based, and comparative hyperbole. For each article, we count unique hyperbolic words across these categories and sum them to construct an overall measure of hyperbolic claims. Detailed definitions, examples, and extraction procedures are reported in Appendix B1, which is available upon request.

Future-oriented claims capture the temporal dimension of hype by projecting expectations about what a technology is expected to enable. Consistent with the sociology of expectations, which suggests that future-oriented discourse varies in both strength and implied accountability (Brown & Michael, 2003; van Lente, 2006), we distinguish between two types of future-oriented claims: commitment-oriented and possibility-oriented claims.

Commitment-oriented future claims portray anticipated outcomes as intended or to-be-delivered, using predicates that signal intention or obligation and constructions that imply deliberate

execution or near-term realization (e.g., set to, poised to, on track to, designed to). These claims present the future as something actors are expected to actively bring about, thereby increasing evaluative pressure and compressing tolerance for underperformance.

Possibility-oriented future claims, in contrast, frame anticipated outcomes as plausible but contingent. They rely on hedging and forecast predicates (e.g., could, might, may, potentially, likely) and aspirational phrasing that gestures toward impact without committing to delivery. These claims expand the imagined opportunity space while preserving ambiguity about feasibility, timing, and responsibility. Definitions, examples, and extraction procedures for both types of future-oriented claims are reported in Appendix B2, which is available upon request.

For each of the three hype components (hyperbolic claims, commitment-oriented future claims, and possibility-oriented future claims), we aggregate the word count across all articles published in a given calendar quarter. We then convert each quarterly series into a momentum measure by taking the quarter-to-quarter change (i.e., the first difference). This transformation captures shifts in the intensity of expectations, rather than their absolute level, aligning with the conceptualization of hype as a dynamic and self-reinforcing process. To facilitate comparison across components, we standardize each momentum measure to z-scores. The resulting variables capture distinct but complementary dimensions of blockchain hype momentum at the field level.

Founder Measure

To examine whether blockchain hype attracts founder with different background differently, we construct founder-level data from the Crunchbase database. For each fintech startup in the sample, we identify founding team members by matching job titles in the Crunchbase jobs table against a curated list of founder-related keywords (e.g., founder, co-founder, founding partner, founding member). For each identified founder, we retrieve their full educational history from Crunchbase. This

yields a founder-venture panel in which each startup is linked to the educational credentials of its founding-team members.

We operationalize the founder's background by classifying each founder's education using a curated keyword dictionary applied to the degree subject fields. The technical category captures founders with educational training in computing, engineering, mathematics, data science, or physical sciences. The business category captures founders with educational training in management, economics, finance, marketing, entrepreneurship, or related commercial fields. The full keyword dictionaries, matching procedures, and treatment of abbreviations and misspellings are reported in Appendix C, which is available upon request.

EMPIRICAL STRATEGY

Entry Models

To examine whether periods of heightened blockchain hype are associated with disproportionate entry by blockchain-positioned ventures, we analyze quarterly startup formation at the group-quarter level, where groups distinguish blockchain adopter (g=1) or non-adopter (g=0). For each quarter-group cell, we count the number of new firms founded, coding zero for cells with no observed entry. This yields a balanced panel of quarterly entry counts.

The dependent variable, $Entry_{q,g}$, is the number of firms founded in quarter (q) and group (g). Because entry counts are non-negative integers and include many zero-valued observations, we estimate Poisson pseudo-maximum likelihood (PPML) models. This approach yields consistent estimates in the presence of heteroskedasticity and is well-suited for panel count data with fixed effects. We estimate the following model for each of the three hype components:

$$[Entry_{q,g}] = \exp(\alpha + \beta_1 Blockchian_g + \beta_2(Hype_{f(i)} * Blockchain_g) + \delta_q + \lambda_v + \varepsilon_{q,g}) \quad (1)$$

where $Blockchian_g$ is an indicator for the blockchain-positioned group. $Hype_{f(i)}$ is the hype measure corresponding to firm i's founding cohort f. The specification includes vertical fixed

effect (λ_v) and quarter fixed effects (δ_q) that absorb all time-specific shocks common to both groups, including the main effect of $Hype_q$. As a result, identification comes exclusively from within-quarter differences in entry between blockchain and non-blockchain ventures. The coefficient β_2 captures whether blockchain hype is associated with a disproportionate increase in entry among blockchain-positioned fintech ventures relative to non-positioned venture within the same quarter and vertical. Standard errors are heteroskedasticity-robust (HC1).

Founder Composition Models

To test Hypothesis 2, we estimate parallel fractional logit models (Papke & Wooldridge, 1996) with two dependent variables. The first, $Tech_Proportion_i$, is the proportion of founders holding a technology-related degree (n_tech / team_size). The second, $Business_Proportion_i$, is the proportion holding a business-related degree (n_business / team_size). These proportions are not mutually exclusive: a founder may hold both types of degrees, and the denominator is total team size (including founders classified as neither), not the sum of classified founders.

For each hype component, we estimate:

$$\mathrm{E}(Y_i|X_i) = G(\alpha + \beta_1 Blockchian_i + \beta_2\big(Hype_{f(i)} * Blockchain_i\big) + \delta_q + \lambda_v) \quad (2)$$

Where G is logistic function G(z) = exp(z)/(1+exp(z)). $\mathrm{Y_i}$ is the $Tech_Proportion_i$ or $Business_Proportion_i$. Standard errors are heteroskedasticity-robust (HC1). Founding-quarter fixed effects absorb the main effect of hype (which varies at the quarter level) along with all other quarter-specific shocks. This is the same identification strategy as the entry model (Equation 1): the coefficient β_2 is identified exclusively from within-quarter differences in founding team composition between blockchain-positioned and non-positioned ventures. A positive and significant β_2 when Y = Tech_Proportion, combined with an insignificant β_2 when Y = Business_Proportion, would indicate

that hype selectively shifts founding team composition toward more technically oriented teams among blockchain-positioned ventures.

Failure Models

Firm failure is defined as permanent closure, identified using Crunchbase status indicators, and is cross-checked. We construct a firm-quarter panel beginning in each firm's founding quarter. Firms are observed in each quarter until the first occurrence of (i) failure, (ii) a positive exit (IPO or acquisition), or (iii) right censoring at the end of the observation window.

To examine quarterly failure risk, we estimate discrete-time hazard models using a logistic specification. The dependent variable, $Failure_{i,t}$ equals 1 if firm i permanently ceases operations in quarter t and 0 otherwise. For each hype component, we estimate:

$$\Pr\left(Failure_{i,t} = 1 \middle| Failure_{i,t-1} = 0\right) = logit^{-1}(\alpha + \beta_1 Blockchian_i + \beta_2 Hype_{f(i)} + \beta_3\left(Hype_{f(i)} * Blockchain_i\right) + X_{i,t}\gamma + \mathrm{Z}_i\theta + \delta_t + \lambda_v) \quad (3)$$

$X_{i,t}$ include time-varying controls for firm age (in quarters) and log of total funding to quarter t. Z_i include founding-time controls, include the founder team size, measured by the number of founders. δ_t are the founding-year fixed effects to capture the macroeconomic cycles, and λ_v are fintech vertical fixed effects. Standard errors are clustered at the firm level to account for within-firm correlation across quarters. The interaction term β_3 captures whether founding under higher hype differentially affects the failure likelihood of blockchain-positioned fintech ventures relative to non-positioned ventures founded in the same periods. A strong result would have a positive β_3 and a non-significant β_2 as blockchain hype should only affect blockchain-positioned firms.

To examine whether founding under heightened blockchain hype accelerates firm exit, we estimate Cox proportional hazards models. The outcome is the duration (in quarters) from founding

to failure. Firms that experience a positive exit or remain active are right-censored. The Cox model for each hype component is specified as:

$$h_i(t) = h_0(t)\exp\left(\beta_1 Blockchian_i + \beta_2 Hype_{f(i)} + \beta_3\left(Hype_{f(i)} * Blockchain_i\right) + \mathrm{Z}_i\theta + \lambda_v + \delta_t \right) \quad (4)$$

Where $h_i(t)$ is hazard of failure for firm i at time t, $h_0(t)$ is the baseline hazard which flexibility captures the duration dependence. $\mathbf{Z_i}$ include founding-time controls, including founding-team size. Firm age is captured implicitly by the baseline hazard. Standard errors are clustered at the firm level. The interaction term β_3 captures whether founding under higher hype differentially affects the time to failure of blockchain-positioned fintech ventures relative to non-positioned ventures founded in the same periods. A strong result would have a positive β_3 and a non-significant β_2 as blockchain hype should only affect blockchain-positioned firms.

RESULTS

Descriptive Statistics

Table 1 reports the composition of the media corpus used to construct the hype measures. The corpus includes 33,651 English-language articles published between April 2012 and December 2020, drawn from 183 sources spanning wire services, newspapers, trade journals, blogs, and magazines, and representing 160 unique publishers and 311 unique publications. This breadth ensures that the hype measures capture a field-level discursive environment, rather than the promotional activity of any single outlet or niche.

We employed text analysis to see if the discourse underlying blockchain hype during this period was not fintech-centric. Articles explicitly focused on fintech account for a small minority of blockchain-related coverage, ranging from 10.53% to 21.58% across years (mean around 15.54%). This pattern supports treating blockchain hype as a broad shift in collective expectations faced by fintech entrants, rather than as a reflection of fintech-specific developments.

Table 2 presents descriptive statistics for the three hype components constructed from media discourse. All three measures- exhibit substantial quarter-to-quarter variation, with standard deviations ranging from 1.34 to 1.49 and ranges spanning more than four standard deviations. Figure 1 visualizes the evolution of these measures over time. Taken together, it shows that hype has consistent fluctuations over time, consistent with the conceptualization of hype as a momentum-based process characterized by episodic intensification and reversal.

While the hype components are related, they are empirically distinct. Hyperbolic claims and possibility-oriented future claims are strongly positively correlated ($r=0.88$), whereas commitment-oriented future claims are moderately negatively correlated with both hyperbolic claims ($r=-0.31$) and possibility-oriented claims ($r=-0.36$). This pattern motivates treating the three hype components separately in the analyses.

Firm-level descriptive statistics are reported in Table 3. The sample consists of 5,527 U.S.-based fintech startups, of which 851 (15.4%) are classified as blockchain-positioned ventures. Approximately 5% of firms experience permanent closure during the observation window, with no significant unconditional difference between blockchain-positioned and non-positioned ventures. Among failed firms, the mean time to failure is approximately 15 quarters.

Blockchain-positioned ventures are unevenly distributed across fintech verticals, with substantial overrepresentation in Payments Technology and Capital Markets Technology, and underrepresentation in Lending and InsurTech. This heterogeneity motivates the inclusion of fintech-vertical fixed effects in all survival analyses. The primary tests in Hypotheses 3.1 and 3.2 focus not on unconditional differences, but on how the conditional hazard of failure and time-to-failure vary with founding-cohort hype for blockchain-positioned versus non-positioned ventures.

Entry Results

Hypothesis 1 predict that rising blockchain hype would be associated with a disproportionate increase in entry by blockchain-positioned fintech ventures relative to non-positioned ventures founded in the same quarter. Table 4 reports Poisson pseudo-maximum likelihood (PPML) estimates of quarterly entry at the group-quarter level. Columns (1)-(3) reports baseline results, and Columns (4)-(6) report quarter and fintech-vertical fixed effects.

Across all three hype components, the interaction between blockchain positioning and hype momentum is positive and statistically significant at 0.001 level. This indicates that periods of rising blockchain hype are associated with a disproportionate increase in entry by blockchain-positioned ventures relative to non-positioned ventures founded in the same quarter, supporting H1. More specifically, a one-standard-deviation increase in hyperbolic hype momentum corresponds to a 22 percent higher (IRR=1.22) expected entry count for blockchain-positioned ventures, conditional on fixed effects. The effects of commitment-oriented and possibility-oriented future claims are similar in magnitude (IRRs=1.20 and 1.18, respectively). The main effect of blockchain positioning is negative and statistically significant, indicating that blockchain-positioned ventures constitute a smaller share of fintech entry overall. The positive interaction terms, therefore, reflect a relative reallocation of entry toward blockchain positioning during periods of heightened hype, rather than higher entry levels among blockchain ventures per se.

As a robustness test, we also tested lag-augmented models. Lagged interactions remain positive and statistically significant (Hyperbolic Claims IRR=1.13; Committed Claims IRR=1.10; Possibility Claims IRR=1.09), suggesting that hype-driven shifts in entry composition persist beyond the contemporaneous quarter. We didn't include the table due to space limitation, but it is available upon request.

The diagnostics at the bottom of Table 4 support the validity of the entry models. Pearson χ^2/df statistics indicate substantial overdispersion in the baseline specifications (23.25, 23.02, and 23.25, cols. 1-3) that is greatly reduced once quarter and vertical fixed effects are included (2.94, 2.93, and 2.98 in cols. 4-6), for which PPML with heteroskedasticity-robust (HC1) standard errors remains appropriate. Also, as demonstrated in Figure 2, there exist a broadly parallel entry patterns prior to major increases in hype.

Founder Composition

Hypothesis 2 predicted that the positive relationship between technology hype and entry under a focal technology label would be stronger for ventures with more technically oriented founding teams. Table 5 reports fractional logit estimates. Columns (1)- (3) report models with the proportion of technically oriented founders as the dependent variable; columns (4) - (6) report the proportion of business-oriented founders.

We found support for H2. Across all three hype components, the interaction between founding-time hype and blockchain positioning is positive and statistically significant for the technical proportion (hyperbolic claims: $\beta = 0.21$, $p < 0.05$; commitment claims: $\beta = 0.20$, $p < 0.05$; possibility claims: $\beta = 0.19$, $p < 0.05$). In contrast, the same interaction is small and statistically indistinguishable from zero for the business proportion ($\beta = 0.05$, 0.08, and 0.06, respectively; all $p > 0.10$). The average marginal effects imply that a one-standard-deviation increase in hype is associated with approximately 3.2, 3.1, and 2.9 percentage point higher tech founder proportions for hyperbolic, commitment, and possibility claims, respectively, among blockchain-positioned ventures relative to non-positioned ventures founded in the same quarter. The main effect of blockchain positioning is positive but not statistically significant for the technical proportion ($\beta \approx 0.12$, n.s.) and near zero for the business proportion ($\beta \approx -0.05$, n.s.), indicating that the compositional shift is specifically associated with hype

exposure rather than with blockchain positioning per se. RESET tests yield p-values well above 0.10 for all six models, providing no evidence of functional form misspecification.

Failure Likelihood Results

Hypothesis 3.1 predicted that founding during periods of higher blockchain hype would increase the likelihood of failure for blockchain-positioned fintech ventures relative to non-positioned ventures. Table 6 reports discrete-time hazard models estimating the probability of firm failure in a given quarter, conditional on survival. Columns (1)-(3) reports baseline results, and Columns (4)-(6) report controlled models.

Across all three hype components, the interaction between founding-time hype and blockchain positioning is greater than one and statistically significant or marginally significant, supporting H3.1. This indicates that higher hype at founding is associated with an increased probability of failure for blockchain-positioned ventures relative to non-positioned ventures founded in the same periods. In the fully specified models, a one-standard-deviation increase in hyperbolic hype at founding is associated with an odds ratio of 1.51, corresponding to a 51 percent increase in the odds of failure. Interaction effects are similar for commitment-oriented future claims (OR=1.48) and weaker for possibility-oriented future claims (OR=1.41). Additionally, the main effects of blockchain positioning and founding-time hype are not statistically significant, indicating that elevated failure risk arises from their interaction rather than from blockchain positioning or hype exposure alone. Control variables are not systematically associated with failure once duration and fixed effects are included.

Diagnostics support the validity of the hazard models. Standard errors are clustered at the firm level, duration fixed effects capture baseline hazard dynamics, and Hosmer-Lemeshow tests indicate reasonable calibration: in the fully specified models, HL χ^2 ranges from 10.24 to 18.41 (p=0.25 to

0.02) Together, these diagnostics indicate that the estimated interaction effects are not driven by misspecification of baseline hazard dynamics or by unmodeled within-firm dependence.

Time-to-Failure Results

Hypothesis 3.2 predicted that, conditional on failure, blockchain-positioned fintech ventures founded during periods of higher blockchain hype would experience a shorter time to closure relative to non-positioned ventures founded in the same periods. Table 7 reports Cox proportional hazards models estimating time to failure in quarters from founding, treating firms that remain active or experience a positive exit as right-censored. Columns (4)-(6) include founding-cohort fixed effects, fintech-vertical fixed effects, and founding-time controls.

Across all three hype components, the interaction between founding-time hype and blockchain positioning is positive and statistically significant or marginally significant in the fully specified models. This indicates that higher hype at founding is associated with a higher hazard of failure, and thus a shorter time to exit, for blockchain-positioned ventures relative to non-positioned ventures founded in the same cohorts. Substantively, a one-standard-deviation increase in hyperbolic hype at founding is associated with a hazard ratio of 1.57 ($p<0.05$), corresponding to a 57 percent higher instantaneous failure hazard for blockchain-positioned ventures. Estimates for commitment-oriented claims (HR=1.53, $p<0.05$). However, the effect size is smaller for possibility-oriented claims (HR = 1.41, $p<0.1$). The heterogeneity across hype components suggests that stronger, more binding forms of hype, hyperbolic and commitment-oriented claims, are more closely associated with accelerated failure, whereas possibility-oriented hype has a weaker effect. This pattern is consistent with the view that hype increases post-entry fragility primarily when expectations are framed as large and to-be-realized, rather than merely plausible.

In contrast, the main effects of blockchain positioning and founding-time hype are not statistically significant, indicating that accelerated exit is concentrated among ventures that both adopt blockchain positioning and are founded during periods of heightened hype.

Diagnostics support the validity of the duration models. Schoenfeld residual tests (Table 8) indicate no meaningful violations of the proportional hazard's assumption for the focal variables or globally. Robust standard errors clustered at the firm level account for within-firm dependence, and concordance indices (C-index) indicate reasonable model discrimination.

Taken together, these findings indicate that founding time hype not only increases the likelihood of failure among Blockchain-positioned fintech ventures, but also accelerates exit conditional on failure. The consistency of results across discrete time and duration models, across all three hype components, and after controlling for founding cohort, fintech vertical, and firm level covariates, suggests that heightened hype operates as a field level founding condition that selectively amplifies post entry fragility among blockchain adopting fintech firms-rather than reflecting a general liability of blockchain technology or fintech entrepreneurship per se.

Alternative Explanations

For alternative explanations, We conduct preliminary tests on competitive crowding. We examine whether the survival penalty reflects competitive crowding by adding a time-varying measure of vertical-level blockchain congestion (log number of active blockchain firms in the same fintech vertical and quarter) to the discrete-time hazard models. The Founding-time Hype × Blockchain interaction remains positive and statistically detectable across hype measures (hyperbolic claims: $\beta = 0.333$, SE = 0.163, $p < .05$; commitment claims: $\beta = 0.284$, SE = 0.135, $p < .05$; possibility claims: $\beta = 0.251$, SE = 0.141, $p < .10$), while the congestion term is statistically indistinguishable from zero (hyperbolic claims: $\beta = -0.603$, SE = 0.664; commitment claims: $\beta = -0.603$, SE = 0.664; possibility

claims: β = - 0.614, SE = 0.664). Together, these estimates provide little support for a crowding explanation of the hype–failure association

DISCUSSION

In this paper, we conceptualize technology hype as a collective expectations environment surrounding a technology, characterized by intensified future-oriented and exaggerated claims that circulate through public discourse. Hype matters for entrepreneurship because it shapes how new ventures are evaluated at founding, particularly when ventures adopt complex technologies in emerging industries where early performance is challenging to verify, and evaluative benchmarks remain unsettled (Benner & Tripsas, 2012; McDonald & Eisenhardt, 2020). Under such conditions, evaluators rely more heavily on interpretive cues-such as narratives, category alignment, and projected future potential-rather than on demonstrated performance.

Using blockchain adoption in the U.S. fintech sector as empirical context, we find that periods of rising blockchain hype are associated with a disproportionate increase in entry by blockchain-positioned ventures. Hype also shifts the composition of entrants toward more technically oriented founding teams, while the proportion of business-oriented founders is unaffected. However, these same ventures experience higher failure risk and, conditional on failure, shorter time to closure relative to non-positioned ventures founded in the same cohorts. We also find that hype components have a differential effect. Hype articulated through exaggerated or commitment-oriented future claims is more strongly associated with accelerated failure than hype expressed through more contingent, possibility-oriented language.

This study makes four primary contributions. First, the study documents a systematic population-level pattern in which the same hype environment associated with greater technology-aligned entry is also associated with weaker subsequent survival among adopters. This highlights a

core tension in entrepreneurial evaluation under uncertainty: the conditions that expand admission into a hyped category may simultaneously tighten post-entry standards and reduce tolerance for underperformance. Second, this study found that hype disproportionately attracts technically oriented founders while leaving business-oriented founder entry unaffected, because hype privileges technological potential over the commercialization signals that business-oriented founders rely on to evaluate opportunities. This extends cognitive opportunity recognition research by showing that field-level expectations, not just individual prior knowledge, shape who perceives and pursues nascent technology opportunities. Third, the study advances research on technology hype by theorizing hype as a time-varying, field-level expectations environment, rather than as firm-level rhetoric or undifferentiated attention. By distinguishing between exaggerated, commitment-oriented, and possibility-oriented hype, the analysis shows that different forms of expectations carry distinct consequences for venture survival. Fourth, the study offers a methodological contribution by operationalizing hype through large-scale text analysis of media discourse, which allows measuring expectations dynamics over time. This approach provides a replicable framework for future research examining how collective narratives shape entrepreneurial behavior across technologies and contexts.

This study has some limitations that shed light on future research opportunities. First, while this study establishes hype as an important but understudied construct, it focuses primarily on how hype shapes firms' positioning and survival in nascent markets. Future research can extend this work by examining more closely on the within-firm processes through which hype translates into fragility, such as changes in innovation trajectories, strategic pivots, scaling choices, or organizational learning under heightened expectations.

Second, this study operationalizes hype through public media discourse across 311 news outlets. While this broad coverage is intended to capture collective expectations at the field level, it may mask meaningful differences in beliefs across stakeholder groups. Investors, policymakers, and

technology specialists may hold different expectations about an emerging technology and respond to hype in different ways. One future research opportunity is to ask when hype becomes misaligned across audiences, for example, when mainstream discourse becomes highly optimistic while expert discourse remains cautious, whether this misalignment predicts the most fragile entry and the sharpest post-entry selection. In this view, it is not just the hype level that matters, but the degree of disagreement in expectations across audiences also matters.

Third, this study focuses on blockchain hype in a fintech context. This is a useful empirical setting because blockchain hype is largely generated outside the fintech industry, which reduces concerns that fintech startups are mechanically driving the hype measure themselves. This helps clarify that many ventures are born into a broader expectations environment rather than actively shaping it. Methodologically, we leverage this partial exogeneity by using cohort-based comparisons that contrast blockchain-positioned ventures with otherwise similar non-blockchain ventures founded in the same periods. Because blockchain hype is directly relevant primarily for blockchain-positioned firms, this design treats hype as differential exposure, with blockchain-positioned entrants being "treated" by the hype environment and non-blockchain entrants founded in the same cohorts being much less affected. However, because the panel data are observational, we cannot fully rule out all forces that co-move with hype cycles in affecting the entry and survival outcomes, even with controls. Future work could tighten identification by exploiting discrete expectation shocks, such as policy announcements, major endorsements, or highly visible failures, and check whether entry and survival patterns change right around these events.

Finally, future research should test the boundary conditions of these findings by examining whether the same hype selection pattern holds in other emerging technologies within fintech or in other nascent markets. Emerging technologies differ in their opacity and implementation costs. These differences shape how quickly ventures can produce verifiable progress and therefore how strongly

hype translates into binding expectations and post-entry selection pressure. For example, it would be informative to replicate this study in the context of artificial intelligence adoption in fintech. Because AI often entails lower adoption costs and faster implementation than blockchain, firms may be able to validate their claims sooner, potentially weakening the survival penalty of hype or shifting it to different stages. Comparing blockchain and AI would clarify when hype primarily accelerates entry and failure versus when it accelerates entry and learning.

Technology hype is more than just noise. It is an important theoretical construct that has been widely referenced but remains understudied in entrepreneurship, partly because the field has lacked a shared way to conceptualize hype as a time-varying expectations environment and a systematic measure to observe it over time. Without such a measure, hype is often treated as a loose label or proxied by attention volume, which makes it hard to test how expectations environments shift evaluation and selection. By conceptualizing hype as a collective expectations environment and operationalizing it as discursive momentum in media discourse, this study makes hype empirically tractable and shows that hype is multi-dimensional: it varies not only in intensity, but also in whether future talk is more hyperbolic, more commitment-heavy, or more possibility-oriented.

By shifting the focus from rational entry to hype-driven selection, the study highlights a hidden cost of hot technologies: the legitimacy granted by hype can come with elevated expectations that some ventures struggle to meet. Importantly, hype is not only about how much attention a technology gets; it is also about the content of expectations in the discourse. When hype is dominated by hyperbolic and commitment-heavy future claims, it is associated with a reallocation of entry toward technology-positioned ventures and faster subsequent selection among those adopters. In that sense, tracking the form of hype - not just its level - provides an empirically informative early signal of when a boom is likely to be followed by accelerated churn.

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Table

Table 1 Media Corpus Composition			
Media Type	Number of Articles	Number of Unique Publishers	Number of Unique Publications
Wire Feeds	26209	12	20
Newspapers	3438	81	181
Blogs, Podcasts, & Websites	3322	25	53
Trade Journals	553	26	35
Magazines	79	9	10
Other Sources	30	3	8
Reports	16	1	1
Audio & Video Works	2	2	2
Scholarly Journals	2	1	1
Total	33,651	160	311

Table 2 Descriptive Statistics of Hype (z-score)				
Variable	Mean	SD	Min	Max
Hyperbolic Claim	0.14	1.34	-1.64	3.31
Commitment Claim	0.17	1.49	-1.6	3.86
Possibility Claim	0.2	1.48	-1.49	3.89
Notes: Descriptive statistics for quarter-level hype measures. Each variable captures the quarter-over-quarter change in the respective media claim type, standardized as z-scores over the full study period (2012 Q2–2020 Q4). Higher values indicate faster increases in the corresponding claim type relative to its historical mean.				

Table 3 Firm-Level Descriptive Statistics										
	Full Sample (N=5,527)			Non-Blockchain (N=4,676)			Blockchain (N=851)			Diff
	Mean	SD	N	Mean	SD	N	Mean	SD	N	(p)
Panel A: Dependent Variables										
Blockchain positioned (0/1)	0.15	0.36	5527	0	0	4676	1	0	851	—
Failure (0/1)	0.05	0.21	5527	0.05	0.21	4676	0.05	0.21	851	0.93
Time to failure (quarters)	15.09	8.09	250	15.22	8.12	211	14.41	8.02	39	0.57
Panel B: Founding Team Composition										
Founder team size	1.78	0.96	3530	1.77	0.96	2986	1.85	0.99	544	0.07

Tech founder proportion	0.19	0.35	3530	0.18	0.35	2986	0.22	0.38	544	0.01
Business founder proportion	0.23	0.37	3530	0.23	0.38	2986	0.21	0.36	544	0.1
Has tech founder (0/1)	0.28	0.45	3530	0.27	0.44	2986	0.37	0.48	544	<0.001
Has business founder (0/1)	0.34	0.47	3530	0.35	0.48	2986	0.3	0.46	544	0.02
N tech founders per firm	0.37	0.73	3530	0.35	0.71	2986	0.48	0.82	544	<0.001
N business founders per firm	0.47	0.78	3530	0.48	0.79	2986	0.43	0.75	544	0.17
Panel C: Firm Controls										
Log(total funding + 1) ($M)	0.92	1.58	5527	0.91	1.57	4676	0.98	1.61	851	0.27
Firm age (quarters)	28.89	9.89	5527	29.11	10.04	4676	27.68	8.91	851	<0.001
Panel D: Fintech Verticals (0/1)										
Payments Technology	0.32	0.47	5527	0.25	0.43	4676	0.73	0.45	851	<0.001
Digital Banking	0.14	0.35	5527	0.15	0.35	4676	0.13	0.33	851	0.11
FinTech Lending	0.17	0.38	5527	0.19	0.39	4676	0.09	0.28	851	<0.001
Digital Wealth Management	0.26	0.44	5527	0.26	0.44	4676	0.26	0.44	851	0.97
Capital Markets Tech	0.1	0.3	5527	0.08	0.26	4676	0.25	0.43	851	<0.001
InsurTech	0.08	0.28	5527	0.09	0.29	4676	0.05	0.22	851	<0.001
PropTech	0.08	0.27	5527	0.09	0.28	4676	0.05	0.22	851	<0.001
Equity Crowdfunding	0.04	0.19	5527	0.04	0.2	4676	0.03	0.17	851	0.09

Notes: Difference (p-value) reports two-sided tests of differences in means between blockchain-positioned and non-positioned firms, based on t-tests for continuous variables and χ^2 tests for binary indicators. Time to failure is reported only for firms that experienced permanent closure. Fintech vertical indicators are not mutually exclusive, meaning a firm can belong to more than one vertical at the same time.

Table 4 Blockchain Entry Models (Poisson PML)						
	Baseline Model			Control Model		
	(1)	(2)	(3)	(4)	(5)	(6)
Intercept	2.77***	2.77***	2.77***	3.27***	3.27***	3.27***

	(0.09)	(0.09)	(0.09)	(0.14)	(0.14)	(0.14)
Blockchain_Positioned	-1.70***	-1.79***	-1.78***	-1.74***	-1.75***	-1.74***
	(0.15)	(0.15)	(0.15)	(0.14)	(0.14)	(0.15)
	IRR=0.17	IRR=0.17	IRR=0.17	IRR=0.17	IRR=0.17	IRR=0.18
Hyperbolic_Claim × Blockchain_Positioned	0.38**			0.20***		
	(0.14)			(0.08)		
	IRR=1.47			IRR=1.22		
Commitment_Claim × Blockchain_Positioned		0.40***			0.19***	
		(0.11)			(0.07)	
		IRR=1.49			IRR=1.20	
Possibility_Claim × Blockchain_Positioned			0.37**			0.17***
			(0.12)			(0.07)
			IRR=1.45			IRR = 1.18
Quarter FE	No	No	No	Yes	Yes	Yes
Vertical FE	No	No	No	Yes (8)	Yes (8)	Yes (8)
Overdispersion (Pearson $\chi 2$/df)	23.25	23.02	23.25	2.94	2.93	2.98
Pseudo R2	0.23	0.24	0.23	0.77	0.77	0.77
Log likelihood	-5004	-4975	-4995	-1478	-1476	-1482

Notes: Poisson pseudo-maximum likelihood (PPML) estimates of quarterly entry counts. Columns (4)-(6) include quarter and fintech-vertical fixed effects; columns (1)-(3) exclude fixed effects. Robust (HC1) standard errors are reported in parentheses. Quarter fixed effects absorb the main effect of quarterly hype measures; reported coefficients capture differential entry associated with hype for blockchain-positioned ventures relative to non-positioned ventures. + $p < 0.10$; * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$.

Table 5 Founding Time Hype and Founding Team Composition

	Proportion of Founder with Technical Background			Proportion of Founder with Business Background		
Variable	(1)	(2)	(3)	(4)	(5)	(6)
Blockchain_Positioned	0.12	0.12	0.13	-0.05	-0.06	-0.05
	(0.12)	(0.12)	(0.11)	(0.12)	(0.12)	(0.12)
Hyperbolic_Claim x Blockchain_Positioned	0.21*			0.05		
	(0.09)			(0.10)		
Commitment_Claim x Blockchain_Positioned		0.20*			0.08	

		(0.09)			(0.10)	
Possibility_Claim x Blockchain_Positioned			0.19*			0.06
			(0.09)			(0.10)
Founded quarter FE	Yes	Yes	Yes	Yes	Yes	Yes
Vertical FE	Yes (8)	Yes (8)	Yes (8)	Yes (8)	Yes (8)	Yes (8)
N	3,263	3,263	3,263	3,263	3,263	3,263
Mean DV	0.19	0.19	0.19	0.23	0.23	0.23
RESET test (p-value)	0.82	0.83	0.86	0.76	0.75	0.76

Note:This table resports the fractional logit estimates of founding team composition as a function of blockchain hype at the time of founding. The unit of analysis is the firm. The dependent variable in columns (1)-(3) is the proportion of founders holding a technology-related degree (n_tech / team_size); in columns (4)-(6) it is the proportion holding a business-related degree (n_business / team_size). These proportions are not mutually exclusive, as individual founders may hold degrees in both fields. All models include founding-quarter fixed effects and fintech vertical fixed effects (eight categories). The RESET test reports the p-value of a Wald test for the joint significance of the squared and cubed fitted values added to the specification; values above 0.10 indicate no evidence of functional form misspecification. Robust (HC1) standard errors are reported in parentheses. + $p < 0.10$; * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$.

Table 6 Founding-Time Hype and Failure Likelihood (Discrete-Time Hazard Models)

	Baseline Model			Control Model		
	(1)	(2)	(3)	(4)	(5)	(6)
Blockchain_Position	0.91	0.91	0.93	0.86	0.84	0.87
	(0.18)	(0.18)	(0.18)	(0.24)	(0.24)	(0.24)
	OR=0.91	OR=0.91	OR=0.93	OR=0.86	OR=0.84	OR=0.87
Hyperbolic_Claims	1.00			1.01		
	(0.06)			(0.17)		
	OR=1.00			OR=1.01		
Commitment_Claims		1.00			1.17	
		(0.06)			(0.19)	
		OR=1.00			OR=1.17	
Possibility_Claims			1.01			1.16
			(0.06)			(0.19)
			OR=1.01			OR=1.16
Hyperbolic_Claims ×Blockchain_Position	1.28*			1.51*		
	(0.16)			(0.30)		
	OR=1.28			OR=1.51		
Commitment_Claims × Blockchain_Position		1.28*			1.48*	
		(0.16)			(0.28)	
		OR=1.28			OR=1.48	
Possibility_Claims × Blockchain_Position			1.23			1.41+

			(0.16)			(0.28)
			OR=1.23			OR=1.41
Founder team size				1.07	1.07	1.07
				(0.08)	(0.08)	(0.08)
Log total funding to date ($M)				0.96	0.96	0.96
				(0.06)	(0.06)	(0.06)
Duration FE (age_q)	No	No	No	Yes	Yes	Yes
Founded Year FE	No	No	No	Yes	Yes	Yes
Vertical FE	No	No	No	Yes (8)	Yes (8)	Yes (8)
# Firms	5442	5442	5442	5442	5442	5442
Pseudo R^2	0.03	0.03	0.03	0.05	0.05	0.05
Hosmer–Lemeshow χ^2	3.28	2.50	6.85	10.24	14.98	18.41
Hosmer–Lemeshow p-value	0.92	0.96	0.55	0.25	0.06	0.02
Notes: Discrete-time hazard (logit) estimates of the quarterly probability of firm failure, conditional on survival. Entries are log-odds coefficients; exponentiated values (odds ratios) are reported below each estimate. Values greater than one indicate a higher failure hazard. Columns (1) - (3) report baseline models; columns (4) - (6) include duration fixed effects (firm age in quarters), founding-year fixed effects, fintech vertical fixed effects, and firm-level controls. Robust standard errors clustered at the firm level in parentheses. + $p < 0.10$; * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$.						

Table 7 Founding-Time Hype and Time to Failure (Cox Proportional Hazards Models)						
	Baseline Models			Control Models		
	(1)	(2)	(3)	(4)	(5)	(6)
Blockchain_Positioned	0.9	0.9	0.93	0.84	0.83	0.86
	(0.19)	(0.19)	(0.19)	(0.28)	(0.29)	(0.28)
	HR = 0.90	HR = 0.90	HR = 0.93	HR = 0.84	HR = 0.83	HR = 0.86
Hyperbolic_Claim	1.000			1.01		
	(0.06)			(0.17)		
	HR =1.00			HR = 1.01		
Commitment_Claim		1.001			1.17	
		(0.06)			(0.19)	
		HR =1.00			HR = 1.17	
Possibility_Claim			1.013			1.16
			(0.06)			(0.19)
			HR = 1.01			HR = 1.16
Hyperbolic_Claim × blockchain	1.31+			1.57*		

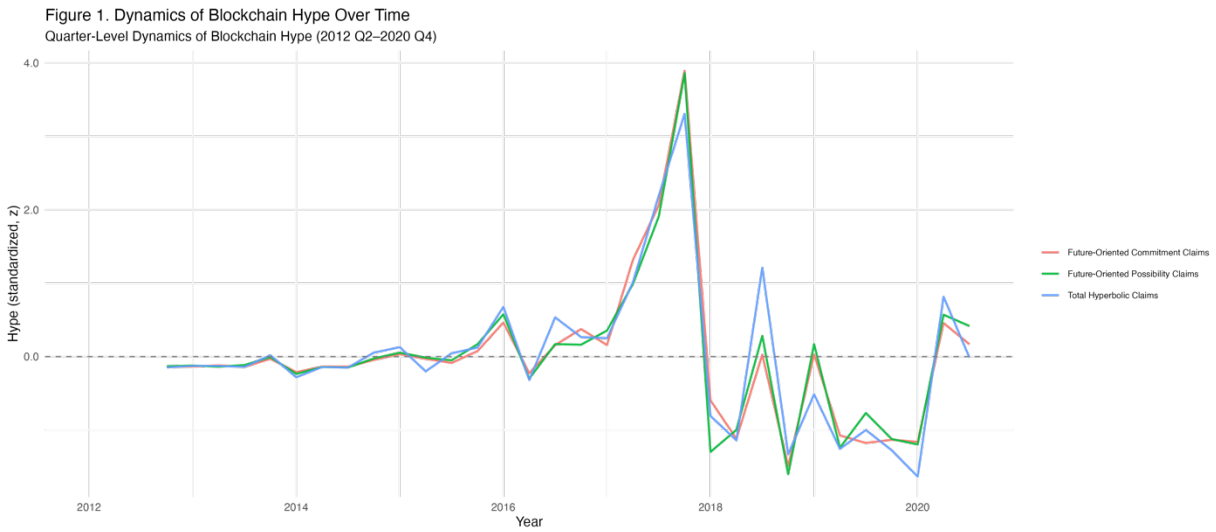
	(0.14)			(0.22)		
	HR =1.31			HR = 1.57		
Commitment_Claim× blockchain		1.30*			1.53*	
		(0.13)			(0.2)	
		HR =1.30			HR = 1.53	
Possibility_Claim × blockchain			1.25			1.45 +
			(0.14)			(0.21)
			HR=1.25			HR=1.45
Founder team size	-	-	-	1.05	1.05	1.05
				-0.07	-0.07	-0.07
Founding Year FE	No	No	No	Yes	Yes	Yes
FinTech vertical FE	No	No	No	Yes (8)	Yes (8)	Yes (8)
N (firms)	5444	5444	5444	3471	3471	3471
N (failures)	243	243	243	163	163	163
Log-likelihood	-2044.20	-2044.10	-2044.60	-1272.20	-1271.20	-1271.80
C-index	0.52	0.53	0.52	0.65	0.66	0.66
Wald χ^2 (global)	4.96	5.19	3.7	36.76	38.2	36.68
Wald p-value (global)	0.18	0.16	0.3	0.01	0.01	0.01
Notes: Cox proportional hazards estimates of time to failure (in quarters from founding). Entries are log-hazard coefficients; exponentiated values (hazard ratios) are reported below each estimate. Values greater than one indicate a higher instantaneous failure hazard (shorter expected time to failure). Firms experiencing a positive exit or remaining active at end of observation are right-censored. Columns (1) - (3) report baseline models; columns (4) - (6) include founding-year fixed effects, fintech vertical fixed effects, and founder team size. Robust standard errors clustered at the firm level in parentheses. + $p < 0.10$; * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$.						

Table 8. Proportional Hazards Tests (Schoenfeld Residuals)			
Cox cause-specific hazard of firm failure (Closed)			
Variable	Hyperbolic_Claim	Commitment_Claim	Possibility_Claim
Global test			
χ^2 (df)	12.76 (12)	12.89 (12)	12.72 (12)
p-value	0.387	0.377	0.389
Focal terms (p-values)			
Blockchain_Positioned	0.82	0.8	0.81
Hype (z)	0.7	0.61	0.75
Hype × Blockchain_Positioned	0.99	0.9	0.99

Controls (minimum p-value)			
Founder team size	0.17	0.17	0.17
FinTech vertical dummies	≥ 0.06	≥ 0.06	≥ 0.06
Notes: Schoenfeld residual tests of the proportional hazards assumption for Cox models in Table 7 (columns 4 - 6). Entries are p-values; values above 0.10 indicate no evidence of violation. All models stratify on founding year and include fintech vertical fixed effects and founder team size, with robust standard errors clustered at the firm level. Neither the global tests nor the focal variables exhibit evidence of proportional hazards violations			

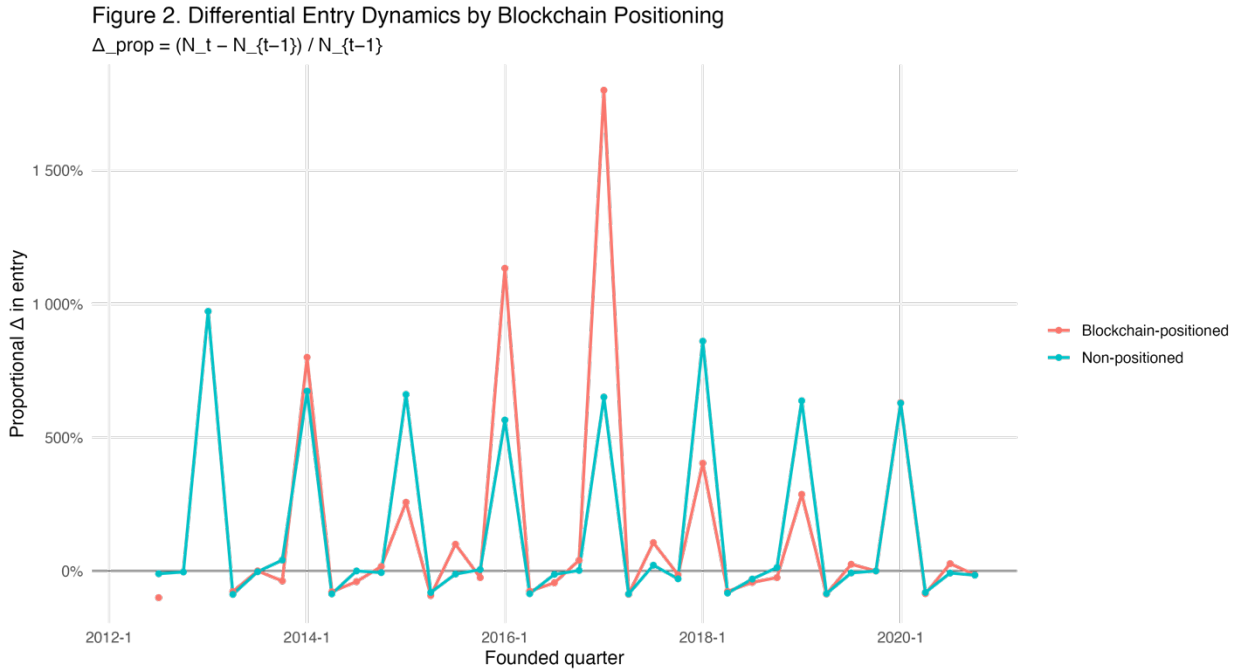
Figures

Figure 1: Dynamics of Blockchain Hype Over Time



Note: This figure plots quarter-to-quarter changes (z-scored) in three components of blockchain-related media discourse - hyperbolic claims, commitment-oriented future claims, and possibility-oriented future claims between 2012 and 2020. Values above zero indicate rising claim intensity relative to the prior quarter, capturing hype as discursive momentum. The sharp spikes and reversals motivate momentum-based measures and support treating hype as a time-varying founding condition across entry cohorts.

Figure 2: Differential Entry Dynamics by Blockchain Positioning



Note: This figure plots quarter-to-quarter proportional changes in entry for blockchain-positioned versus non-positioned fintech ventures. Entry spikes are larger and more concentrated for blockchain-positioned ventures, especially during high-hype periods in Figure 1, while non-positioned entry shows no comparable surges. This pattern is consistent with hype shifting the composition of entry toward blockchain positioning and provides intuition for H1 alongside the Poisson models