

WE'RE WITH YOU:

A BACKER'S MOTIVATIONS IN THE UP-INCOMING CROWDFUNDING

MARKET

By

ASHLEY CLAIRE MATTHEWS

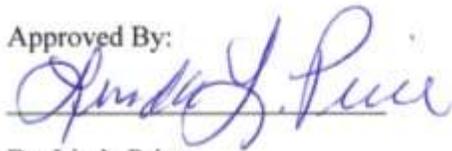
A Thesis Submitted to the Honors College
With Honors in

Marketing

THE UNIVERSITY OF ARIZONA

MAY 2014

Approved By:



Dr. Linda Price
Department of Marketing

**The University of Arizona Electronic Theses and Dissertations
Reproduction and Distribution Rights Form**

The UA Campus Repository supports the dissemination and preservation of scholarship produced by University of Arizona faculty, researchers, and students. The University Library, in collaboration with the Honors College, has established a collection in the UA Campus Repository to share, archive, and preserve undergraduate Honors theses.

Theses that are submitted to the UA Campus Repository are available for public view. Submission of your thesis to the Repository provides an opportunity for you to showcase your work to graduate schools and future employers. It also allows for your work to be accessed by others in your discipline, enabling you to contribute to the knowledge base in your field. Your signature on this consent form will determine whether your thesis is included in the repository.

Name (Last, First, Middle)	<i>Matthews, Ashley, Claire</i>
Degree title (eg BA, BS, BSE, BSB, BFA):	<i>BSBA</i>
Honors area (eg Molecular and Cellular Biology, English, Studio Art):	<i>Marketing</i>
Date thesis submitted to Honors College:	<i>4/27/14</i>
Title of Honors thesis:	<i>We're with You: A Backer's Motivations in the Up-coming</i>
The University of Arizona Library Release Agreement	<i>Crowdfunding Market</i>
<p>I hereby grant to the University of Arizona Library the nonexclusive worldwide right to reproduce and distribute my dissertation or thesis and abstract (herein, the "licensed materials"), in whole or in part, in any and all media of distribution and in any format in existence now or developed in the future. I represent and warrant to the University of Arizona that the licensed materials are my original work, that I am the sole owner of all rights in and to the licensed materials, and that none of the licensed materials infringe or violate the rights of others. I further represent that I have obtained all necessary rights to permit the University of Arizona Library to reproduce and distribute any nonpublic third party software necessary to access, display, run or print my dissertation or thesis. I acknowledge that University of Arizona Library may elect not to distribute my dissertation or thesis in digital format if, in its reasonable judgment, it believes all such rights have not been secured.</p>	
<input checked="" type="checkbox"/> Yes, make my thesis available in the UA Campus Repository!	
Student signature: <i>Ashley Matthews</i>	Date: <i>4/18/14</i>
Thesis advisor signature: <i>Jennifer Puce</i>	Date: <i>4/18/14</i>
<input type="checkbox"/> No, do not release my thesis to the UA Campus Repository.	
Student signature: _____	Date: _____

WE'RE WITH YOU:

A BACKER'S MOTIVATIONS IN THE UP-INCOMING CROWDFUNDING
MARKET

By

ASHLEY CLAIRE MATTHEWS

A Thesis Submitted to the Honors College
With Honors in

Marketing

THE UNIVERSITY OF ARIZONA

MAY 2014

Approved By:

Dr. Linda Price
Department of Marketing

ABSTRACT

This paper delves into the recent phenomenon of crowdfunding through the analysis of the video gaming community on the crowdsourcing website Kickstarter. It analyzes this group because of their strong communal and anti-industrial behaviors, along with their heavy support of crowdfunding ventures. More specifically, it identifies and discusses categories of crowdsourcing participant motivations, as well as the link between it and consumer co-creation. Finally, crowdsourcing and business implications, as well as topics for further research are discussed.

INTRODUCTION

“Right now you stand on the precipice of your destiny. Right now, you hold the hopes and dreams of countless people all over the internet waiting for you and your kick ass game. All of them believe in you, and it is for that reason that you must make this game as super awesome as physically possible. Take our hopes, our dreams, and our money, and use them to forge a game unlike any other. I believe in you. All the backers believe in you... So go forth! Grab hold of your destiny! And make this game!”

- Comment on a video game campaign page on the website Kickstarter.

Within the past four years a fascinating form of investment has sprung up in the United States and around the world. This form, known as “crowdfunding” is unique to itself and peculiar in the way that it mimics traditional forms of investment and business practice, yet does not fit neatly into any of the traditional business functions. It is a cross-disciplinary form defined by the United States 112th Congress as:

“a method of capital formation by which groups of people pool money, typically composed of very small individual contributions, and often via Internet platforms, to invest in a company or otherwise support an effort by others to accomplish a specific goal”
(Congressional Research Service)

The act of crowdfunding incorporates all aspects of business, with the most obvious being entrepreneurial efforts. The most fundamental basis of the activity is to raise money so that an individual or group may pursue an idea and start their own business

venture, or in other words, entrepreneurship. Other aspects evident in crowdfunding, which will be described later in more detail, include marketing the project to gain popularity and awareness, financing to raise money for the venture through “backers” (defined on page 6), stockholder management to provide the promised rewards to each “backer”, and project management to then effectively use the raised funds to create a successful business, and/or to see a project to its completion.

Whether this phenomenon is correctly defined as an “investment” is yet to be deduced; however, many of the principles associated with the investment process are the same across both “angel investing” and crowdfunding. The act of “angel investing” is defined more specifically by the term ‘Angel Investor’ which is defined by Merriam-Webster as “an affluent individual who provides capital for a business start-up, usually in exchange for an equity stake. [stock]”, and are distinct from the typical venture capitalist in the way that they “typically do not pool money in a professionally-managed fund. However, angel investors often organize themselves in[to] angel networks or angel groups to share research and pool investment capital” (Parker).

Crowdfunding and angel investors are similar in that they are the first outsiders to invest in a start-up and thus take the risk of backing a new business.

Crowdfunding Websites

As mentioned in the previous section, “funding portals” known as “crowdfunding websites” are websites that allow investors to give or “pledge”, money to a project initiator if certain conditions as described by the website are met. These conditions may

include but are not limited to: time restrictions, monetary goal restrictions, reward fulfillment (free gifts to donors), and service fees, etc. and differ for each website. In addition, the avenues catered by each crowdfunding website also differ, with some having a broad range of channels offered and some choosing to specialize instead.

Some major US crowdfunding websites are noted in Figure 1:



Figure 1: Crowdfunding Website Examples

All of these websites are relatively new and some are barely off the ground. The initial wave of crowdfunding websites began around 2006, and since then many portals are in the making, with many more yet to come.

In particular, this paper will focus on the first website mentioned, Kickstarter, which is one of the most developed of the sites listed in Figure 1. However, in order to provide sufficient background for this paper, the next section will shed light on the business models of both Kickstarter and the similarly well-developed site IndieGoGo.



Figure 2: A Kickstarter Campaign - Double Fine Adventure

Crowdfunding Business Models

There are two main models that will be discussed in this paper corresponding to the two well-known and well-developed websites Kickstarter and IndieGoGo. Both websites cater to number of project categories from art, music, media (video), photography, publishing, video games, and even food. Just about anybody can back a project, and many people back more than one.

The differences between these two sites lie in that the Kickstarter model is an “all-or-nothing” model while IndieGoGo’s is an “anything-goes” model. In Kickstarter’s case, each project must meet its funding goal in order for any monetary exchange to take place; if a project does not meet its goal for funds, then regardless of how many backers and how much money was “pledged” no money is exchanged. The philosophy suggests that you must raise enough to be successful, as anything less will not be an honest effort. In contrast, IndieGoGo’s model is much more open than Kickstarter, and while IndieGoGo does offer the ability to fundraise using the fixed model, they also have a second model called “flexible funding”. Opting to “flexible funding” suggests that any step is a step in the right direction, so all money is channeled to the project owner (minus the fees). Project wise,

IndieGoGo is also more open in who and what can be promoted. IndieGoGo allows projects for personal topics such as medical expenses, personal vacations, college funds, etc. in addition to the categories previously mentioned. On the other hand, Kickstarter limits projects to non-profits and business-like endeavors. Finally, each project is pre-screened and must meet minimum criteria in order to appear on Kickstarter's website.

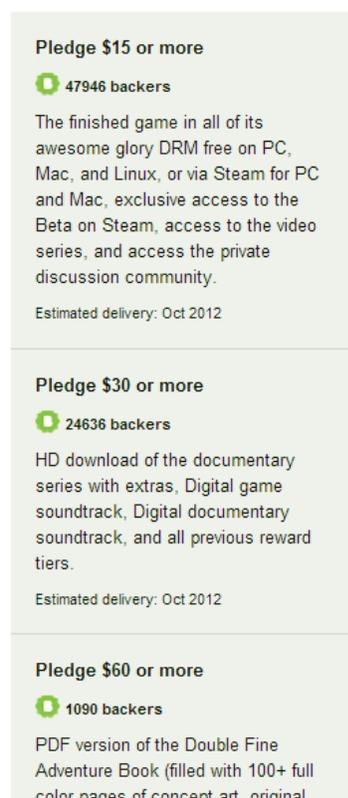


Figure 3: Kickstarter - Double Fine Reward Tier Examples

Topics to be Discussed

This paper examines the crowdfunding participants who give monetary contributions to projects, henceforth referred to as “backers”, and not to be confused with a donor (as the majority of transactions are not solely charity based). The paper will discuss the various motivations that backers have for “backing” a project, or many

projects, through the use of crowdfunding websites. More specifically, the gaming sector of the crowdfunding website Kickstarter will be analyzed as it caters to a relatively unique yet widespread audience known for their heavy participation in brand communities. Moreover, the video game category deals in sums much higher than those in any other category, and has on several occasions hit over \$1 million. Additionally, some new concepts such as the idea of crowdfunding “coaches” and consumer co-creation behaviors will be discussed.

To set the stage, I first briefly discuss the political scene in regards to crowdfunding legislation.

Political History

One primary law governs the use of crowdfunding websites, and was recently signed by the president on April 5, 2012. It is the “Jumpstart Our Business Startups Act” or “JOBS” act, which lays out the groundwork for what is required by law of any “emerging growth company” from the SEC’s standpoint. In this case, the term “emerging growth company” refers to startups in a broader sense rather than limiting it to those startups initiated through crowdfunding; however, the law does highlight those started by crowdfunding.

The JOBS Act broadly defines an “emerging growth company” as “an issuer that had total annual gross revenues of less than \$1 billion during its most recently completed fiscal year” while disqualifying those companies who participated in the sale of securities previous to Dec. 8, 2011. (Congressional Research Service) In short, this law reduces the required amount of both registration with the SEC and public regulation for emerging

growth companies in areas such as auditing, reporting, and the sale of securities. Its main purpose is “simplify the registration process and reduce associated costs and other burdens for emerging growth companies” (Congressional Research Service).

More specifically, Title III of the act directly involves crowdfunding and “prescribe[s] conditions under which transactions of \$1 million or less involving the offer or sale of securities by an issuer through a broker or funding portal [crowdfunding website] are exempt from certain registration requirements and prohibitions relating to interstate commerce”.

In summation, this piece of legislation was enacted in order to streamline entrepreneurial efforts toward creation of new ventures rather than tie up their time in registration, etc. Some proponents argue that ideally this piece of legislation should help to create more jobs through an increased number of startup companies; however, this speculation is still highly debated. Created in the aftermath of the widespread launch of social media site Facebook, these laws are also meant to help startups from crowdfunding websites.

However, as discussed later, there is still limited “protection” for consumers that back a crowdfunding project. There is no direct legislation to determine what, if anything, a backer is owed as a quid pro quo investor. Furthermore, as it is still a platform in its infancy, barely two years old, crowdfunding websites have yet to see the long term effects of their business models. Investment in itself poses a certain risk, and as some in the gaming community are finding out, that risk is still well and alive in the crowdfunding market.

LITERATURE REVIEW

Presently, there is little crowdfunding research as it is still a young sector. Many of the projects that were funded in the earliest crowdfunding “boom”, around 2010, are just now coming to fruition. This has left researchers with few research options and examples of “front-to-back” completion of projects. Additionally, the majority of the current crowdfunding research focuses on topics that are inapplicable to this paper such as geology and the significance of backer location, among others. Therefore, a few applicable papers of related topics will be analyzed, along with a few papers of one active crowdfunding researcher Liz Gerber.

To start, one concrete paper-in-progress is being written by Professors Elizabeth Gerber, Julie S. Hui, and Pei-Yi Kuo of the Segal Design Institute at Northwestern University. The initial draft and release of their paper “Crowdfunding: Why people are Motivated to Participate” was written at the same time as the preliminary data collection for this paper. Their study also focuses on the topic of motivations, but took a personal interview approach to collect data. In a seven-month period, the authors interviewed a pool of 39 US-based participants ranging in gender and crowdsourcing activity, i.e. exclusively funding, exclusively creating, and a mixture of both, from three different websites: Kickstarter, RocketHub, and IndieGoGo over a variety of categories (music, film, etc.) (8). The main motivations for crowdfunding participation identified in this paper are:

- to raise funds,
- to expand awareness of work,
- to connect,
- to gain approval,
- to maintain control,

- to learn,
- to collect,
- to help others,
- to be part of a community, and
- to support a cause. (8-17)

Demotivations for both backers and supporters are also given, but they are not central to the argument to be discussed here. This working paper offers insight into the minds of players in the crowdfunding community and its findings on motivations supports those to be discussed in this paper.

As mentioned in the introduction, two more papers by the Northwestern Segal Design Institute are “Easy Money? The Demands of Crowdfunding Work” and “Crowdfunding a Survey and Taxonomy”. Both papers provide insight on the crowdfunding process and give structure for its analysis.

Next, several papers on the topics of consumer-created communications, brand community practices, and collective innovation will be introduced as they are highly applicable to the idea of consumer co-creation spaces which are created by websites such as Kickstarter. First, is “Vigilante Marketing and Consumer-created communications” by Albert M. Muñiz, Jr. and Hope Jensen Schau.

This paper refers to the power of brand communities and vigilante marketing as “unpaid advertising and marketing efforts, including one-to-one, one-to-many, and many-to-many commercially oriented communications, undertaken by brand loyalists on behalf of the brand” (35). The authors argue that this is found most readily in brand communities. While the players in the Kickstarter video game category are not rallied toward any specific brand, it can be argued that they are rallied toward a specific

category, and even that they are rallied against multiple brands in the traditional gaming industry. This last situation is similar to the one faced in the paper, where the Newton users were critical of Apple for not taking what they deemed to be the right steps in the product’s lifecycle. This was referred to as “oppositional brand loyalty”. (42). While the Kickstarter category is more aptly described as a consumption rather than brand community due to the lack of a central target per Muñiz and O’Guinn’s (2001) definition, they certainly demonstrate many of the same communal traits. There is certainly a consciousness of a kind, moral responsibility, and members engaging in activities to perpetuate the community.

In the Kickstarter category, members freely promote projects that they have backed and give advice to one another; this will be a key point later. Places where the situation differs include the lack of creating physical or digital media advertisements by community members, which was evident in the Newton’s case. But these sorts of communications are the standard that one can find on any Kickstarter page, members need only link to the page or use the built in social media tools to propagate the message (to get more people to back a project). However, it would be interesting to see if such practices develop with time.

A similar piece “How Brand Community Practices Create Value” provides context for the way value is produced by brand communities, along with a definition of a brand community. It identifies common community practices across nine different communities, and categorizes them into four major kinds: social networking, impression management, community engagement, and brand use. However, in this case it is arguable that systematic real-world

interaction with other members is a requirement for community vitality (39). For video gamers in particular, the core of member activities is seen online rather than off. Nonetheless, the four categories of community practices described in this paper are evident in the Kickstarter video game community as well.

Finally, the paper written by Robert V. Kozinets, Andea Hemetsberger, and Hope Jensen Schau titled “The Wisdom of Consumer Crowds: Collective Innovation in the Age of Networked Marketing” brings up the idea of co-creation. This addresses a major point that is particular to, but not limited to, the crowdfunding space. In particular, it explores “the intersection of creativity and consumption that lies at the heart of this new social form of informationalized innovation” (340). This definition of consumer co-creation certainly describes the process of crowdfunding as well. This will become clearer in the data and discussion sections.

METHODOLOGY



Figure 4: A List of Kickstarter Categories and One of the Many Revolving "Staff Picked" Projects

This paper focuses on the video game category on Kickstarter for four reasons. First, a key reason for choosing the video game category was the sheer magnitude of transactions taking place there on a regular

basis. The gaming category single handedly accounts for a fifth of Kickstarter’s total monetary transactions and has the second highest total dollars at \$106 million. This is second only to the “Film & Video” category at \$118 million, which has nearly six times as many projects launched at just over 24k. The gaming category is at 6th highest out of 13 with 4,588 launches, out of an average of 7,000 as of mid-March 2013. (See Appendix D for a May 2013 Statistic Table).

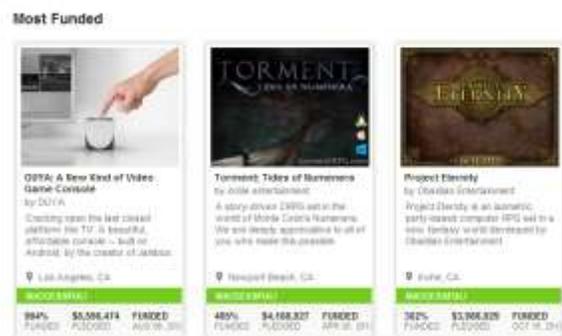


Figure 5: Some of the Most Highly Funded Projects in the Gaming Category

The second was previously mentioned as being the benefits of size and the amount of activity in the Kickstarter video gaming community.

The third is the notion within the gaming community of a “love-hate” relationship between corporate producers of video games and the independent gaming community. This will be discussed in more detail later, but it is a strong motivator in an “us versus them” attitude harbored by some of its members. While this may cloud the ability to project this study to other categories of crowdfunding, it certainly makes a more interesting environment for study.

And finally, time and resource limitations required looking at just a single category. It is a given that the analysis is limited thereof,

and more time and resources would allow for a more in depth study.

Limitations

Regarding limitations, the same reasons that make the video game category unique will make the results less projectable to the other categories.

It proved difficult to contact individuals of the brand community for interviews/survey material as formal requests to access the population through Kickstarter were declined. Nevertheless, through snowballing, both in person and through the internet, a group of 70 individuals took the survey attached.

Data Collection Methods

Data collection for this project consisted mainly of netnographic observation and survey. Compilations of user interaction were collected by way of observing comments posted on project pages. To ensure a variety, the research was broken down into subsections based on the amount of money that was raised for each gaming project. See Figure 2 for the breakdown.

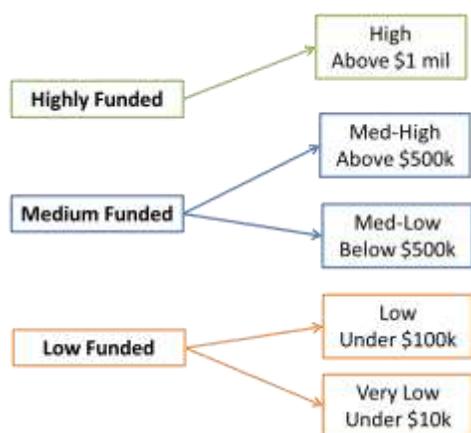


Figure 6: Funding Levels

In total, 18 projects were analyzed from the various categories, and it should be noted

that the number of comments for each project differs immensely. The projects in this study were classified based on 4 distinct characteristics that can be found in Figure 3; they are developer awareness, funding level, novelty (series vs. remake), and time. Highly funded projects had significantly more comments than projects with low funding. And newer projects had increasingly more opportunities for direct consumer co-creation than older projects.

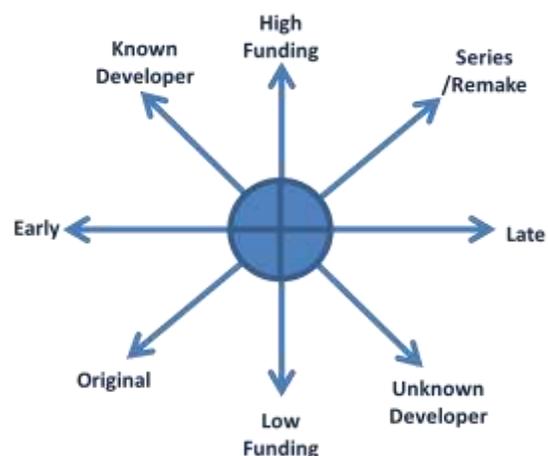


Figure 7: Common Project Characteristics

A number of specific comments were collected and reviewed during the fall of 2012, and all data was gathered via public webpages. For privacy purposes, the names of specific projects will not be mentioned, nor will the names of individuals. Instead, aliases will be used to identify community members.



Figure 8: Example of a Project Comment Page

A survey was also conducted after the initial comment collection in order to supplement the data. Common ideas were consolidated into more general categories in order to create themes for backer motivation. These themes were then presented to participants through an online survey consisting of behavioral screening questions, motivation questions, questions on industry outlook, and demographic questions. Since no comparable survey was found, all questions were drafted by the researcher for this specific case. The survey questions and results can be found in Appendices A and B respectively.

The survey was conducted via snowballing as any attempts at a remotely systematic sample were not successful. Additionally, updates to website design and privacy protocol during the survey phase rendered any direct contact to the target audience through the Kickstarter website unfruitful.

DATA ANALYSIS

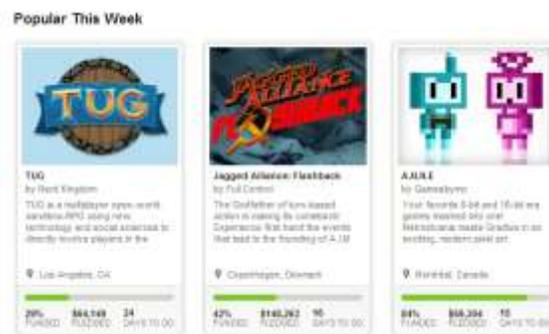


Figure 9: An Example of the "Popular This Week" Section of Recommended Gaming Projects

Common Behavior

Common community behavior consisted of appreciation through praising and thanking project owners, criticizing the commercial video game industry, technical questions towards project development, requests for future developments, internal project promotion, community bonding, and advice given from backers to project owners. The last behavior came as somewhat of a surprise and showed up in later projects more so than in earlier projects.

Some examples of appreciation include:

I complete support this. Thank you for letting us show you that we want to see things change!

I would gladly buy the game (again) on Android, just saying ;-)

Many people asserted themselves as fellow game developers.

From one game dev to another, I full-on love this idea

The idea of being part of something greater than oneself was also commonly seen.

History will be made today. Thank you for the opportunity to be part of it. You guys are amazing in every way. ROCK ON!!!

I read about this game not too long ago and wanted to see more. I don't know what more I can say than what others have said but I am glad that as a community we can all give out contributions for games that we believe in.

Just gave \$90 bucks. My little appreciation for all the many laughs you guys (and gals) have given me. Thank you and can't wait to play this game.

Next, examples of criticizing the industry include:

Suck it, major game publishers! :P

Right now every publisher in the world is watching this and feeling somewhat nervous. I LOVE IT.

The next comment asserts that despite the consumer/producer relationship between gamers and publishers, many consumers see the industry as tyrannical and not conducive to game innovation.

People want you to succeed. We want publishers to get out of the way of game design!

GameCompany1 sucks since Game1 and Game2. They sold their soul and spirit to GameCompany2. Let's break the power of the publishers!

I completely support this. Thank you for letting us show you that we want to see things changed!

See, game industry: we want good and original games!

This is incredible - makes you realise (sic realize) how out of touch publishers are. If it's not yet another Game1 clone, they don't want to take a chance on it. This shows there's a LOT of demand for games requiring more than just twitch reflexes! Plus the people playing Game2 back in the day probably have the most disposable income!

Next are examples of technical questions, many include requests for added features or platforms. Such comments include:

Maybe one thing to add: IF you maybe think about a Linux port, my pledge would go up immediately.

There are a large number of really good female vocalists who sing hauntingly beautiful traditional folk songs in Country...It would be great if you could have a couple in the official soundtrack.

Some, such as the next one, ask for more clarity on “indie”, (short for independent), developer backgrounds and vision.

I chose to back because I see a clear need in gaming for this type of game, but I've got some serious concerns: ...I really want to hear more from Owner1, what is their resume like what are their visions for the game?

Also, PLEASE tell us you're keeping in some sort of LAN/local play option! This is what made Game1 for me back in the day, and it's a huge benefit to those of us who still have

LAN parties (old though we may now be).

Project promotion comments increased as the community became more aware of the power they held as a group. This power increased with each highly funded milestone project that reached and far exceeded funding success. Starting with comments about the pride of spreading the word, signs of systematic-like advertising soon began among community members. Examples of these include:

Did this kickstarter just go live? ...At any rate, saw it, backed it, and am currently spreading the news ^_^

Tweet w/ #projectname, get this trending worldwide!

Is there any other way to help this project aside from financially or by designing missions when the time comes?

Pledged, and crossposted over on the OtherProject1 comments page. Hopefully it will bring some old school gamers over here as well. Looking forward to the game! :)

Lets see if someone cant reach out to the popular dudes that helped get PR attention to previous projects.

Been spreading this to everyone i know :) GL!

The game looks like it will be great. Good luck, I will promote this on me social networks.

I also want to echo what several posts here said: Make sure to post this on your twitters, blogs, facebook etc. It was huge word of mouth

through social networking sites and gaming forums that made Game1's kickstarter such a success.

A communal feel was certainly felt among members that backed some of the highest funded projects. Some project pages spanned tens of thousands of comments. One popular one has over 1,200 pages consisting of over 60k comments from over 70,000 backers. Some comments which reflect members' appreciation for their fellow community (stated as community bonding up above) include:

For what i know from the only other campaign that i have backed...the fact that everyone commented about the campaign or related is what created the true feeling of community.

I'm really glad you guys are making the community's input such a large part of this project! This is going to be the best game ever!!!

Rightio! I'll start at \$500, but there is more where that came from. Welcome to Kickstarter Developer1! We'll make this happen. :-D

Someone just pledged 5k! I salute you, whoever you are.

Giving advice started out as an occurrence that was few and far between in the early days of Kickstarter. But with time and momentum built from successful indie funded projects, the advice became more sophisticated and direct. Finally, examples of such advice giving include:

One Comment. It will probably be easy to get carried away wanting to create a massive gameworld and hundreds of quests millions of

conversations. Don't! Keep it realistic and deliverable.

I'd feel better if you'd join the Website1 project. It's a really good idea for any successful kickstarter.

Community members are well aware that indie developers check comments.

You should be reminded that the creators of the project visit this section often to check for feedback and backer suggestions.

In fact, community members reward indie developers who reply to comments with praise and loyalty. Some members even increase their funding contribution if project owners are quick and thorough in their responses.

Seriously, the amount and scope of the updates we've gotten from you guys is the best I've seen from a kickstarter, period. Keep it up, and I can't wait to see the finished product :)

Maybe one thing to add: IF you maybe think about a Linux port, my pledge would go up immediately.

The latter comment suggests that the user would pay more to get the game for multiple platforms. These and other suggestions like them were very common.

But not only are there suggestions on features to add or additional platforms to make games for, but also there are marketing suggestions such as this one. Fans are taking the success of projects into their own hands.

I just have a small suggestion, I think it may be helpful to have "Game1"

placed somewhere more prominently on the page right from the start. Something like "A year of Adventure with Dev1, creator of Game1". As it is, people have to scroll down the page to see the first mention of Game1 and I think it may help a lot to have it positioned front and center from the start.

Just some friendly advice, if you're gonna do a video, do it at your best. -- Get rid of the "uhs" and "uhmms". People who aren't confident in what they are saying do that and you did that excessively in the video. -- You have all the time in the world to do a video right. Make sure you do. Videos are forever. -- P.S. I'm not telling you that for my own health. Just trying to help you out.

The community is also quick to point out when even independent developers like those on Kickstarter are about to cross the line.

I would change your kickstarter page to clarify the expansions as you call them. -- That sounds a lot different than it looks. -- Right now you look like a greedy developer. More of the stuff people hate in Company1 and Company2. No one wants to support that. Especially on kickstarter which is a haven from all that.

This individual's frank answer reminds the project owner(s) that the power of crowdfunding can be a double-edged sword. Backers have the power to both actively promote and actively fail projects. And the community is not willing to accept developers that act with the same "corporate greed" as believed to be held by some industry counterparts.

Common Themes

Initial hypotheses on what motivates backers to support a project were compiled in the early stages of research. The list of initial predictions is as follows:

1. Rewards
2. Charity/Altruism
3. Entrepreneurship/Investment
4. Hobby/Brand Community
5. Peer “pressure”
6. Risk-Taking

However, these themes were very broad. Based off of the common behaviors described above, a revised list of motivational themes was compiled. This is as followed.

Revised List of Themes

1. Nostalgia

Many individuals gave reference to their childhood playing early versions of games (in the instance of a remake) or playing a similar genre. There were comments such as “This genre should never have died” along with a call to the revival of core gamers and the “good ‘ol days”. For example:

*Just joined kickstarter for this game!
So many great memories playing
these back in the day.*

*Let's help those awesome people
bring out (sic, our) precious favorite
game genre back.*

*My favorite game of all time. I still
have my cherished copy of the
survival guide. The narrative in that
game guide was unforgettable.*

2. Feeling “Compelled”

In this theme lie two emotional appeals. Whether they were trying to be comical or simply expressing their loyalty to the community, genre, developer, or project, many expressed the “need” to donate, and wrote comments that suggested that they “couldn’t help not giving”, and they were giving into helpless submission which elicited their monetary support for a project. Included in this category are faith based appeals where users expressed deep trust in the indie developers to understand the needs of the community better than those in industry.

Examples of commenters who were “compelled” to purchase are:

*Pledged \$100, even though I'm a broke
student, I NEED THIS GAME!*

This goes along with the more comical comment which was a phrase trending at the time of this research:

Shut up and take my money!

Seen again with:

*Take my money. TAKE ALL MY
MONEY.*

among others. Next, some examples of faith based comments are:

Just backed with \$100, no hesitations.

*Go Developer1 and the Team! We
trust you :)*

*Here have some money. We want you
to have it.*

3. Development Participation

This is a broader category that incorporates participation based on both a desire to express technical/content requests, critiques, and suggestions, along with promotion/marketing involvement, and developer aspirations.

Comments that were the basis of this theme are those that express their desire to market the product such as:

I can't afford to pledge that much, but I'm definitely going to send this to all the friends/ family/ coworkers/ veterinarians/imperial spies/dentists that harvest brains /giant lungfish/ roadies and monsters that I know!

The game looks like it will be great. Good luck, I will promote this on me social networks.

Technical questions and requests include:

Awesome pitch video! By the way, will the in-game characters consist of pre-rendered sprites, or will they be 3D models? I'd prefer the former. Also, it'd be nice if my copy of the game could be through Steam. :)

Developer Aspirations

I fulfill my lifelong desire to be a game designer by giving money to Developer1. Woo!

Also I will make sure to provide as much input as I can where i can, I would love to work for DeveloperGroup1 one day, might as well get some practice in now!

Comments like these were backed up by survey results as a little more than half of those who reported backing a Kickstarter

campaign also stated that they were interested in game development.

4. Us against the Industry

A summary of these types of comments include ideas such as: the industry is out of touch with the consumer, community members would rather give money to independent developers than to publishers, members want to show the industry what types of games they “really” want, supporting the underdog, and suggestions that indie developers “really care” in contrast to the industry.

On this point, many examples of these were given above, but this theme also centers on the idea of consumer co-creation. Academic works pertaining to co-creation, and the various associated community practices will be detailed in the discussion.

a. Supporting a cause

This is considered a sub-theme of the previous one because they often centered around “against the industry” themes. But certainly other causes gathered support such as supporting a genre, or supporting a policy as the last comment in this series is.

I do not expect it to be as good as project Project1, but I felt it was the right thing to do (to give this project \$5) as I feel kickstarter should be for individuals trying to accomplish something and need some help.

I don't know what more I can say than what others have said but i am glad that as a community we can all give out contributions for games that we believe in.

Not really a genre fan, but pledged nonetheless. I'm supportive of your free-content policy

From the comments above, we see that themes around trust, belief, and gut feelings are also part of the decision making process

5. Being part of a community

Many members expressed their appreciation for the gaming community and emphasized collective community power. While many examples of community comments were also described in the “Common Behaviors” section, the following comments illustrate more precisely developer-developer support and player-developer support.

From one game dev (developer) to another, I full-on love this idea.

This project just sounds so amazing, you guys seem like you will put your heart and soul into this and I want to be apart (sic) of it all.

Other comments centered on supporting particular developers with good rapport in the community, along with support for friends and admired individuals.

This community is rather peculiar in that it does not revolve around a specific brand, store, or even a specific type of product as do most consumer groups. While it can largely be categorized as the “video game” community, there is still a wide assortment of sub-groups and an even wider variety of products for various platforms within. (i.e. Nintendo, Playstation, Xbox, Computer, etc.) which all have fierce loyalties in and of themselves.

a. Be a part of something bigger than yourself

A subsection of the community theme is that many backers expressed their excitement at the fundamental changes that were taking place with new crowdfunding technology. They saw crowdfunding as a movement and gave comments such as the following:

History will be made today. Thank you for the opportunity to be part of it. You guys are amazing in every way. ROCK ON!!!

Along these lines, one future research topic to consider is the study of the expectations of such consumers on topics such as: the projects they have backed, the future of crowdsourcing, as well as the future of mainstream industry.

6. Dream come true

Like the theme suggests, many users had long wished for a game of a certain genre, type, or platform to come out and limited by what was available. Many expressed excitement towards the possibilities that could come from the rise of main-stream crowdsourcing and independent developers.

It's like a dream come true.

I'm glad to help out Ind1 in any way possible. I'm so glad to help fund a new adventure game by Dev1 and Ind1! It's a dream come true and I can't wait to play it for myself. This is just awesome for everyone involved! Love you Ind1!

This theme also relates to key points in consumer co-creation movement. The analysis of this theme reveals that there were many consumers who had the same ideas and wants for products in the gaming industry that were not being met. So far, crowdsourcing on such topics has

demonstrated to both independents and the industry together that consumers are ready and willing to pay for greater choice and customization. This will lead to business implications down the road.

7. Innovative and Out of the Box

In addition to supporting re-makes or series games, some backers are motivated by characteristics such as creativeness, innovativeness, originality, and openness to diversity. The following comment, brings up the anti-industry notion that some of the mainstream companies have lost sight of their creativity.

I put money into this because (sic) it looked like something new and different. People that leave Company3 and want to be creative again should be supported.

Here the commenter clearly states that his reasons for backing regard respect for innovative groundwork and the lack of it that he has experienced from Company3.

Moreover, in the survey one of the participants brought up the topic of equal representation of ethnic diversity within games. In response to the question “When you make a decision to invest in or otherwise support a project, what do you consider?” One respondent wrote:

Games that feature underrepresented groups -- ie women, people of color - - in well-rounded roles.

This touches on both the changing demographic of video games and social issues. Both of these subjects will likely become more important concerns to the gaming industry in the future.

8. Rewards

Rewards of some kind are required of any Kickstarter endeavor, and some of the most common for the video game category were: t-shirts, posters, soundtracks, art books, testing privileges, copies of the game for various platforms, opportunities to influence the game’s creation, etc. The following two comments focus on physical rewards.

Please consider doing a "large cardboard boxed copy". I love having the box to keep. I saw you haven't offered this yet, I would certainly contribute some more to get this!

The t-shirt is awesome. Isn't there a way to offer it as a smaller reward, just like you did for the unsigned poster (so without the poster and without the crest design) ?

Requesters asking for customized rewards is quite common in the early stages of a project. It was also seen that as the platform progressed newer projects offered a much wider variety of both rewards, and reward tiers (e.g. the amount of money a supporter must pledge to quality for a certain reward(s)) than older ones. Additionally, once international donors were identified as a key group, reward tiers of purely “digital” means emerged in order to avoid complications such as international shipping and customs. Such “digital” categories utilize internet means alone to deliver similar content such as soundtracks and art books in PDF, among others. Based on survey results, backers tended to value digital rewards over physical rewards.

Many of these themes stem directly from the common behavior described above. And there certainly are many that crossed themes.

Lastly, some comments that combine the above themes are as follows:

Community/Pledge Increases

Rightio! I'll start at \$500, but there is more where that came from.

*Welcome to Kickstarter Developer1!
We'll make this happen. :-D*

It was quite common for backers to pledge a smaller amount at first, to show their support, and increase it after interaction with both the project owner(s) and other backers. This seems to come directly from relieved concerns, etc. that are answered by others with interest in the project.

Nostalgia/Community/Developer Aspirations:

*I'm so excited... seriously. I loved the original, I've wanted more ever since. It's nice to feel involved with this, even if I'm just deluding myself. :) Looking forward to updates from *ALL* the team members!*

Some of the early highest funded projects cited childhood nostalgia as being a reason for backing. Yet, despite the common comments in series like Wasteland II, survey results showed that while this may be one of the factors, it isn't necessarily the most important.

Against the Industry/Developer Aspirations:

Happy to throw my money where I want it to go. One day, I'd love to work with you majestic beasts over at Double Fine!

This combination emphasizes developer aspirations and trust, and a hint of anti-industrial feelings.

A full list of themes and variations of subthemes identified are also available in Appendix C.

FINDINGS

Changing Roles of the Consumer

In addition to identifying motivations for consumer crowdsourcing participation, this research identifies several areas where consumer scripts are being re-written with the advent of new technology and new consumer spaces.

Consumer Co-creation

The goal of this paper was to identify the motivations behind a specific group's decision to participate in crowdfunding, and it has identified common behaviors and major themes across projects. But it also sheds light on the changing script of the consumer themselves.

The common behaviors reveal that the traditional roles of consumers and producers are breaking down and creating a new and unique relationship between backers and project owners. Backers, who may lack the skills, time, or resources to create projects themselves are finding that more and more project owners are offering ways backers can give input and customize parts of the final product. Then, this product will ideally be published to a wide audience.

Backing projects with such offerings allows supporters to be active participants in the design process and perhaps for the first time directly influence the design and creational process from start to finish. Examples of such instances are projects that offered a donor the opportunity to customize some

part of the game such as: a character, map, item, vehicle, non-player character (i.e. computer character), storyline, background, etc. This was seen to be increasingly offered in recent projects compared to those offered even just a year ago or less. This offers a unique way to engage in supporting, developing, and customizing product akin to consumer co-creation.

As most developers do not have the time to directly interact with every participant, such opportunities normally require a significant contribution to the campaign, running from a hundred to even thousands of dollars. But as more projects are seeing the benefit from such interaction, more and more opportunities, with cheaper options, are just beginning to be offered.

Consumer Resourcing

Backers are also finding that they gain crowdfunding expertise by keeping watch on projects and seeing which fail and which are successful. But thanks to the backer's inherent interest in the success of a project, consumers are starting to work as consultants to the projects they back and make contributions in more than just money.

The expert use of social media and the wide range and number of networks that backers have allow projects such as Double Fine to aggregate \$400k in only eight hours after being open for "donations".

Some are even going a step further and specifically identifying themselves as "resident experts" in the running and success of crowdfunding campaigns. These experts are in fact individuals who have never run a project themselves, but consider themselves researchers in their own right from the amount of time they've spent monitoring

and participating in discussions on project pages and websites.

The next passage is a direct quote from such an individual. It is very sophisticated and logical in its nature, while hitting key actionable points of advice.

You're gonna need at least 75k a day to get this through. It's possible but I don't think it'll happen as is. -- I think you'd have an easier time getting people if you could at least get a real gameplay trailer going. Enough of emotion play and small tidbits. A real show all gameplay trailer. -- Barring that (for whatever the reason may be), you should remake your headliner video into a trailer/gameplay demo using the prototype gameplay. People need to easily understand what this entire project is about within less than 5 min. Short attention spans are one of your biggest enemies right now. First min talking about the entire project so far and the trip to this point, 1 or 2 min of solid interesting gameplay commenting along the way, last min or so being the trailer so the emotion sticks with them at the end. -- I'm not sure what else you can do past that besides somehow yelling louder about the project to people out there.

This is only one from many similar comments written by this individual. The level of detail and the length of the passage illustrate commitment for not just a specific game, developer, or genre, but rather to the principle of crowdfunding and attention to informal and emerging best practices. With the lack of formal, standardized, crowdsourcing practices and research, active

consumers may have the upper hand in campaign knowledge and experience.

Thus although project owners primarily benefit from monetary contributions given for their campaigns, value is certainly being created through consumer feedback on ideas and presentation through co-creation, and coaching.

Changing Consumer Space

From top-down to bottoms-up, consumer spaces are changing at a rapid pace with the advent of new technology and collective innovation via the internet. The internet has made it easier to foster online communities of far-removed but like-minded people ever since its mainstream adoption, but until now has been relatively confined to strictly informal communications between consumers, and formal yet removed communications between consumers and producers. Such distinctions have generally been enforced by a power hierarchy that deeply distinguishes the influence of the individual versus that of the corporation. This often leads to a top-down communication styles in which consumer preferences may go unheard or take the back seat.

But that hierarchy is being undermined by the movement of entrepreneurs from the angel/financial institution investment arena to tap into the mass under-solicited power of individuals. This poses a fundamental shift from corporate bureaucracy to open communications as participants in consumer spaces become the self-determined consumers *and* producers of their collectively generated content.

On this basis, some predictions on the evolution of crowdfunding follow.

Predictions

Backers gain from being able to co-create with independent developers, and they are not the only ones who are benefiting from the exchange. It is likely that the development of crowdfunding will also lead to the innovative development of both larger incorporated organizations as well as the increase in the number of small 3rd party outsourcing opportunities to assist those who strike it big in crowdsourcing. With what seems to be the hopes of many in the gaming community, the industry may come to see how much their customers appreciate fresh, unbounded, creativity in the market and may see the benefits of niche communities which can fund games such as Double Fine with several million dollars.

It is also noteworthy to suggest the possibilities for the growth of small 3rd party logistics services within the mainstream adoption of crowdfunding, and of course, the prediction of the “Crowdfunding, a Taxonomy” authors whom predicted an already occurring scenario of backers offering more than just their money to a project. The taxonomy paper’s predictions of a more “crowd-resourcing” nature are gaining more evidence as time goes on.

DISCUSSION

In this dynamic consumer space we see that backers are even willing to take a step further and donate their time as well as monetary resources. In the future we may well see that the authors’ prediction in “Crowdfunding: A Survey and Taxonomy” of donating time and expertise to projects may come to fruition. Their predictions are as followed

“Our first suggestion is to extend the scope of crowdfunding outward, as we see crowdfunding to be part of a larger, more powerful, movement to develop crowd powered platforms for resource exchange online. Imagine such a platform wherein funds are not the only resource that respondents may contribute to a campaign. Perhaps, contributions could be in the form of small amounts of transcription, the completion of tasks such as correspondence, or consulting, as opposed to just financial contributions. In this hypothetical space, requesters could put a call out for multiple types of resources to either aid with crowdfunding tasks, or aid financially.”

The authors continue this idea with a few examples of current platforms such as Rock The Post, Amazon Mechanical Turk, or oDesk, but in its own way the indie gaming community is already taking the next step without a formal avenue. For example, two different bilingual Spanish-English speakers offered to help translate content to create a localized version of a game as shown below.

BTW, I volunteer for Spanish localization as well. Born and raised.

Where do I sign up to be the Spanish subber? ;) I'll even pay you more money to do so. ;) Por favor!! Look! My keyboard has the Ñ character! How bad ass is that?!

Others also posted their desire to volunteer their time for the same of the project, even if they did not know how they could help.

Is there any other way to help this project aside from financially or by designing missions when the time comes?

This poses another interesting research question to determine whether similar informal offerings for time/task contributions may be present in other project categories and crowdfunding avenues as well.

Additionally, one point to note is that over time there arose a specific subset of backers who thought of backing a project as a type of pre-payment for the finished product. One point of interest is whether this is universal across crowdfunding categories, or more concentrated in the video game category, as such ways of thinking mimic the common practice of pre-ordering games in the industry. However, the fact still stands that any one of the projects posted may fail. While some developers may have industry experience and excel at coding, they may not have the time or the business/project management skills necessary to meet the demands of so many direct participants. Legislation in this area is still unclear and on the horizon.

Co-Creation

Curious about the crest design option: I would love to add something and I have an idea, but I dont have the skills to make it. Would you guys take a rough outline of the crest and adapt it to fit the games art style?

This comment pretty much sums up the connection between crowdfunding and consumer co-creation. This was a phenomenon that was seen increasingly in more recent projects starting in the fall of

2012 and continuing into the spring of 2013. Double Fine's "joke" of putting a \$10,000 donation category "just for lunch" (amongst the tour, etc.) seems to have spurred a snowballing momentum of offering consumer co-creation-like reward offerings from newer projects trying to differentiate themselves from others. Project owners realized that some of their audience had either real or aspirational desires to create games themselves, and there were those willing to pay for those opportunities. With the nature of the individual time required for each, the donations required for such categories are generally high, typically over \$150-200 at the minimum level. One smaller project offered co-creational opportunities to create custom in-game events and characters at \$100-\$5000 apiece. Few were offered, 8 at the top level, and 100 options to add the donor's name to a "crew list" that users of the game could use to hire characters for their ships. Yet, every slot of those 108 were funded. This is just one of many examples. Developer aspirations such as these, coupled with the community dynamic and belief about the out-of-touch industry created a fundamental change in how projects were offered and presented to their potential donors.

Significance

The significance of this is that it points to a shift in power from the top-down product design/manufacturing/marketing process that was and still is so prevalent in mainstream industries. But along with other examples of increases in consumer power, crowdfunding is an innovative step towards a fundamental shift toward consumer co-creationism. This shift in power can be readily described and justified in research throughout the marketing field, and two co-creation research authors Prahalad and

Ramaswamy do a great job in explaining this topic in three of their papers, "Co-Creation Experiences: The Next Practice in Value Creation", "Co-Creating Unique Value with Customers", and "*The Co-Creation Connection*".

Shift in power

The fundamental shift in power can be described by the following. "(The) Role of the consumer in the industrial system has changed from isolated to connected, from unaware to informed, from passive to active" (Prahalad and Ramaswamy 4).

Consumption communities such as the gaming community described here, are becoming more informed and connected with the mainstream use of the internet through various types of forums and online multi-player gaming.

"Millions of networked consumers are now collectively challenging the traditions of industries as varied as entertainment, financial services, and health care" (Prahalad and Ramaswamy 4).

As described above, many video game backers cited are challenging the ways mainstream games are conceived and produced. By choosing "what they really want", crowdfunding independent games is both an assertion of collective power and channeling of funds that demonstrate on a wider scale what kinds of products consumers desire.

"The power of consumer communities comes from their independence from the firm... Consumer networking inverts the traditional top-down pattern of marketing communications" (Prahalad and Ramaswamy 4).

Backers give evidence that is demanding companies to bring back the innovation and creative freedom that so many see lacking from the confines of corporate bureaucracy; community members deem it an important part of industry-wide game creation and voice their opinions on open forums such as crowdfunding pages. What makes these forums different from typical ones is that these also allow consumers to market to each other and prove the monetary value they assign to such freedoms. This is something traditional communication means do not allow for. Crowdfunding gives consumers both more choice, and more voice with each other, and with companies. Although crowdfunding is still a budding market, many companies would do well to take this into consideration for both future interactions and future value-creation.

“Armed with new tools and dissatisfied with available choices, consumers want to interact with firms and thereby co-create value. The use of interaction as a basis for co-creation is at the crux of our emerging reality” (Prahalad and Ramaswamy 5).

The lack of consumer-producer interaction has been a prominent issue for this consumer community, and is cited as at least a supporting, if not main, reason that members give for backing independent projects.

“Increasingly, consumers engage in the process of both defining and creating value. The co-creation experience of the consumer becomes the very basis of value” (Prahalad and Ramaswamy 5).

This is seen through the technological, content, and reward based suggestions that many community members give to project owners. Many give such suggestions with a monetary incentive, such as “my pledge will

go up immediately if...” statements. Defining this value and creating it has become a central focus.

“Consumers want to interact and co-create value, not just with one firm but with whole communities of professionals, service providers, and other consumers” (Prahalad and Ramaswamy 5).

The epitome of crowdfunding in this venue, this quote sums up the experiences of many consumers as they engage in active debate and interaction with other consumers, project owners, and shout-outs to the industry as a whole.

Consumers “Contribute to the debate, both technically and in terms of their expectations and views of value. In doing so, they are co-shaping the future” (Prahalad and Ramaswamy 7).

Describing what the future of co-creation holds is essential to what the future of crowdfunding also holds. This quote describes what many community members are trying to achieve at least indirectly by their activities on Kickstarter. For many, crowdfunding is a unique avenue that offers them the freedom to define their own expectations for value not only for content, but also for value created through interactions between members, project owners, and the industry.

Implications for Management

This research offers insight for both management within companies and management for those looking to start crowdfunding projects themselves.

From a corporate perspective, crowdfunding offers an avenue for corporate to see the effects of and the value of consumer co-

creation. It is also an avenue for industry companies to actively engage in innovation and market research on what it is that consumers are looking for in terms of value. One day, companies might be able to use crowdfunding themselves in order to test out new ideas and/or pick up creative individuals or entrepreneurs.

On the other hand, project owners can discover best practices for the management and implementation of projects from the archives of commentary and case studies that past projects offer. Project owners can also look to self-identified “crowdfunding coaches” for assistance, along with other offers of contribution besides basic funding.

In the long run, both independent and company developers, especially in the gaming sector, will need to keep an eye on developments in crowdfunding as it will provide insight into consumer co-created value and expectations for the industry.

Conclusion

Although it is still new and largely untested, crowdfunding is likely here to stay. As the world continues to be more and more connected via technology and the internet, the traditional consumer-producer relationship will undergo a fundamental change through the undermining of the balance of top-down marketing.

Crowdfunding and the communities connected by it will no longer be subject to the necessity of “generalization for the masses” approach to innovative development; and are looking toward increased engagement, activity, and value creation through interactive development.

FURTHER RESEARCH

Implications for Further Research

Crowdfunding opens the floodgate towards new topics and studies on the changing role of the consumer, the re-definition of consumer-consumer and consumer-producer value, crowdsourcing and crowd-resourcing, online group dynamics, and many more topics. Even within the realm of this limited study, countless opportunities for further research abound.

Recommendations for Further Research

Within the realm of this paper, ideas for research include: a broader survey, bigger survey audience, the surveying/research of more product categories, in depth interviews, niche research on the subgroups of individuals identified from the survey results, and case studies all provide new and nearly untouched areas of study. Additionally, insight on different crowdsourcing websites, differences between models (all-or-nothing and any-and-all models), case studies on highly successful project and least successful projects, etc. would provide better context and scope for this research, and research to come.

For future studies: compilations on the outcomes of projects after they have reached their funding potential, how the results of these projects affect contributor expectations and future crowdfunding activity, the potential of crowdfunding to change consumer views of major companies and industries, future expectations and consumption patterns from consumers in general, and expectations regarding specific communities are all intriguing possibilities.

Internationally, cultural differences in crowdsourcing and determining the international breadth and potential of crowdsourcing would give researchers context on the diversity within the communities and the results from it.

Finally, other general topics may include the study of differences between opinions, expectations, and behavior of consumers of different product categories.

APPENDIX

Appendix A: Survey Questions

Screening Questions

1. Have you ever visited the Kickstarter website before?
 - a. Yes
 - b. No

2. Have you ever invested in a Kickstarter video game project?
 - a. Yes
 - b. No

3. What is a recent Kickstarter video game project that you've invested in?

4. How often do you play video games? (Any console)
 - a. Daily
 - b. Weekly
 - c. Bi-weekly
 - d. Monthly
 - e. Yearly
 - f. Other: _____

5. When did you first start playing video games?
 - a. Less than a year ago
 - b. 2-3 years ago
 - c. 4-5 years ago
 - d. 6-10 years
 - e. 11 years ago or more

6. How often do you visit gaming forums on the internet?
 - a. Daily
 - b. Weekly
 - c. Bi-weekly
 - d. Monthly
 - e. Yearly
 - f. Other: _____

7. How often do you visit the Kickstarter website?
 - a. Daily
 - b. Weekly
 - c. Bi-weekly
 - d. Monthly
 - e. Yearly
 - f. Other: _____

8. About when did you first visit Kickstarter?
 - a. About 2 Years ago.
 - b. 18-23 months ago
 - c. 12-17 months ago
 - d. 6-11 months ago
 - e. 3-5 months ago
 - f. Less than 3 months ago

9. How many video game category Kickstarter projects have you backed?
 - a. 0-5
 - b. 6-15
 - c. 16-30
 - d. 31-50
 - e. 50-100
 - f. Over 100

Kickstarter Questions

10. When you make a decision to invest in or otherwise support a project, what do you consider?

Please indicate how important the following factors are in your decision
Circle a number between 1-7, with 7 being very important and 1 being not important.

Familiar Developer

Not Important 1-----2-----3-----4-
-----5-----6-----7 Very Important

Trust in the Developer

Not Important 1-----2-----3-----4-
-----5-----6-----7 Very Important

Series/Remake

Not Important 1-----2-----3-----4-
-----5-----6-----7 Very Important

Original Game (I.e. not a remake)
Not Important 1-----2-----3-----4-
-----5-----6-----7 Very Important

Good Physical Rewards
Not Important 1-----2-----3-----4-
-----5-----6-----7 Very Important

Good Digital Rewards
Not Important 1-----2-----3-----4-
-----5-----6-----7 Very Important

Popular in the Gaming Community
Not Important 1-----2-----3-----4-
-----5-----6-----7 Very Important

Recommended by a friend, family, or
community
Not Important 1-----2-----3-----4-
-----5-----6-----7 Very Important

Likelihood to succeed (in your
judgment)
Not Important 1-----2-----3-----4-
-----5-----6-----7 Very Important

Quality of Project Video(s)
Not Important 1-----2-----3-----4-
-----5-----6-----7 Very Important

Good Marketing/Presentation on the
Kickstarter Project Page
Not Important 1-----2-----3-----4-
-----5-----6-----7 Very Important

Project Owner Responds Quickly and
Often to Comments
Not Important 1-----2-----3-----4-
-----5-----6-----7 Very Important

Positive Feedback from other
Kickstarter Backers
Not Important 1-----2-----3-----4-
-----5-----6-----7 Very Important

I'm supporting my friends or family
Not Important 1-----2-----3-----4-
-----5-----6-----7 Very Important

I'm supporting the gaming community

Not Important 1-----2-----3-----4-
-----5-----6-----7 Very Important

I'm supporting a cause/genre
Not Important 1-----2-----3-----4-
-----5-----6-----7 Very Important

Other: _____

Not Important 1-----2-----3-----4-
-----5-----6-----7 Very Important

11. I back projects that:

Are in my favorite Genre
Never 1---2---3---4---5 Very Often

Bring back memories from my
childhood
Never 1---2---3---4---5 Very Often

I feel "compelled" to
Never 1---2---3---4---5 Very Often

Offer me a chance to influence the
creation
Never 1---2---3---4---5 Very Often

Allow me to design my own content
which will placed in the game
Never 1---2---3---4---5 Very Often

Other: _____
Never 1---2---3---4---5 Very Often

12. How often do you use each of the following to find out about video game projects on Kickstarter?

Gaming Forums
Never 1---2---3---4---5 Very Often

Gaming Blogs
Never 1---2---3---4---5 Very Often

Gaming Videos (Ex. Youtube)
Never 1---2---3---4---5 Very Often

Professional Developer Networks or
News

Never 1---2---3---4---5 Very Often

Friends

Never 1---2---3---4---5 Very Often

Family

Never 1---2---3---4---5 Very Often

Kickstarter Staff Recommendations

Never 1---2---3---4---5 Very Often

Browsing the Kickstarter Website

Never 1---2---3---4---5 Very Often

Other: _____

Never 1---2---3---4---5 Very Often

13. On a scale from 1-5, with 1 being the lowest:
In your opinion, how much risk is there in backing a Kickstarter project?
No Risk 1---2---3---4---5 Very Risky

14. In your opinion, how likely is the average Kickstarter gaming project to succeed?
Not Very Likely 1---2---3---4---5 Very Likely

15. In your opinion, how likely is the average Kickstarter gaming project to fail?
Not Very Likely 1---2---3---4---5 Very Likely

16. On a scale from 1-5, how strongly do you agree with each statement?

“I back Kickstarter games because it gives me more control over what I want”

Strongly Disagree 1----2----3----4----5 Strongly Agree

“I desire to make games”

Strongly Disagree 1----2----3----4----5 Strongly Agree

17. What activities do you do to help Kickstarter video game projects succeed?

Coaching (Ex. Giving advice to project owners)

Never 1----2----3----4----5 Very Often

Promotion on the Internet (i.e. Posting to another website/forum, social media)

Never 1----2----3----4----5 Very Often

Promoting to friends (By any means: ex, in person, online, phone)

Never 1----2----3----4----5 Very Often

Financial support

Never 1----2----3----4----5 Very Often

Gaming Industry

Think about some of the major gaming companies.

18. How satisfied are you with the current gaming industry?
Very Dissatisfied 1-----2-----3-----4-----5 Very Satisfied

19. How satisfied are you with industry games released within the past 2 years?
Very Dissatisfied 1-----2-----3-----4-----5 Very Satisfied

20. How strongly do you agree with the statement: “Publishers are out of touch with the gaming community”?
Strongly Disagree 1-----2-----3-----4-----5 Strongly Agree

Demographic Questions

21. What is your age?
- Under 10 years
 - 10-20 years
 - 20-30 years
 - 30-40 years
 - 40-50 years
 - Over 50 years

22. What is your gender?
- a. Male
 - b. Female
23. What is your approximate annual income?
- a. \$0-\$20,000
 - b. \$20,001-\$40,000
 - c. \$40,001-\$60,000
 - d. \$60,001-\$80,000
 - e. \$80,001-\$100,000
 - f. Over \$100,000

Appendix B: Survey Results

Last Modified: 05/06/2013

Filter By: Report Subgroup

1. How often do you visit gaming forums on the Internet?

#	Answer	Response	%
1	Daily	19	58%
2	Weekly	6	18%
3	Bi-weekly	2	6%
4	Monthly	5	15%
5	Yearly	1	3%
	Total	33	100%

2. About when did you first visit Kickstarter?

#	Answer	Response	%
1	About 2 Years ago.	10	30%
2	18-23 months ago	5	15%
3	12-17 months ago	7	21%
4	6-11 months ago	5	15%
5	3-5 months ago	2	6%
6	Less than 3 months ago	4	12%
	Total	33	100%

3. How many video game category Kickstarter projects have you backed?

#	Answer	Response	%
1	0	0	0%
2	1-5	33	100%
3	6-10	0	0%
4	11-15	0	0%
5	16-30	0	0%
6	31-50	0	0%
7	50-100	0	0%
8	Over 100	0	0%
	Total	33	100%

4. When you make a decision to invest in or otherwise support a project, what do you consider? Please indicate how important the following factors are in your decision Circle a number between 1-7, with 7 being very important and 1 being not important.

5. Familiar Developer

#	Question	1	2	3	4	5	6	7	Total Responses	Mean
1	Not Important:Very Important	3	3	1	7	8	3	7	32	4.59

6. Trust in the Developer

#	Question	1	2	3	4	5	6	7	Total Responses	Mean
1	Not Important:Very Important	0	0	0	2	3	11	16	32	6.28

7. Series/Remake

#	Question	1	2	3	4	5	6	7	Total Responses	Mean
1	Not Important:Very Important	7	6	4	5	2	3	5	32	3.56

8. Original Game (I.e. not a remake)

#	Question	1	2	3	4	5	6	7	Total Responses	Mean
1	Not Important:Very Important	7	1	1	6	7	6	4	32	4.22

9. Good Physical Rewards

#	Question	1	2	3	4	5	6	7	Total Responses	Mean
1	Not Important:Very Important	9	4	2	6	7	2	2	32	3.38

10. Good Digital Rewards

#	Question	1	2	3	4	5	6	7	Total Responses	Mean
1	Not Important:Very Important	3	1	4	6	7	5	6	32	4.63

11. Popular in the Gaming Community

#	Question	1	2	3	4	5	6	7	Total Responses	Mean
1	Not Important:Very Important	7	1	5	7	6	4	2	32	3.75

12. Recommended by a friend, family, or community

#	Question	1	2	3	4	5	6	7	Total Responses	Mean
1	Not Important:Very Important	9	0	2	8	5	7	1	32	3.78

13. Likelihood to succeed (in your judgment)

#	Question	1	2	3	4	5	6	7	Total Responses	Mean
1	Not Important:Very Important	2	0	2	4	6	4	14	32	5.50

14. Quality of Project Video(s)

#	Question	1	2	3	4	5	6	7	Total Responses	Mean
1	Not Important:Very Important	3	1	1	3	7	8	7	30	5.07

15. Good Marketing/Presentation on the Kickstarter Project Page

#	Question	1	2	3	4	5	6	7	Total Responses	Mean
1	Not Important:Very Important	1	1	3	0	7	12	6	30	5.37

16. Project Owner Responds Quickly and Often to Comments

#	Question	1	2	3	4	5	6	7	Total Responses	Mean
1	Not Important:Very Important	4	4	2	5	2	8	5	30	4.37

17. Positive Feedback from other Kickstarter Backers

#	Question	1	2	3	4	5	6	7	Total Responses	Mean
1	Not Important:Very Important	4	1	3	7	7	3	5	30	4.37

18. I'm supporting my friends or family

#	Question	1	2	3	4	5	6	7	Total Responses	Mean
1	Not Important:Very Important	11	5	1	7	3	2	1	30	2.87

19. I'm supporting the gaming community

#	Question	1	2	3	4	5	6	7	Total Responses	Mean
1	Not Important:Very Important	6	2	2	4	9	4	3	30	4.07

20. I'm supporting a cause/genre

#	Question	1	2	3	4	5	6	7	Total Responses	Mean
1	Not Important:Very Important	2	4	0	4	8	10	2	30	4.67

21. Other:

Text Response

I have backed wasteland 2, as Brian Fargo is a known developer to me and has made great games, I tend not to support unknown developers as there is a risk that the game will not be made or be a crappy product.

The game generally has to be trying to fill a niche that hasn't been catered to enough as of late. "Blind Spots". Space Sims, Fighting Games, Adventure Games.

Want to see more games with both fast-paced space combat and detailed ship interiors.

Statistic	Value
Total Responses	3

22. I back projects that:

23. Are in my favorite Genre

#	Question	1	2	3	4	5	Total Responses	Mean
1	Never:Very Often	1	2	5	15	7	30	3.83

24. Bring back memories from my childhood

#	Question	1	2	3	4	5	Total Responses	Mean
1	Never:Very Often	5	8	5	10	2	30	2.87

25. I feel "compelled" to

#	Question	1	2	3	4	5	Total Responses	Mean
1	Never:Very Often	9	2	6	11	2	30	2.83

26. Offer me a chance to influence the creation

#	Question	1	2	3	4	5	Total Responses	Mean
1	Never:Very Often	6	7	6	9	2	30	2.80

27. Allow me to design my own content which will placed in the game

#	Question	1	2	3	4	5	Total Responses	Mean
1	Never:Very Often	12	8	7	2	1	30	2.07

28. Other: _____

Text Response

The costs are usually too high to design my own content to place in the game.

Games that feature underrepresented groups -- ie women, people of color -- in well-rounded roles.

I back projects that look like original, well-designed and thought-out games. I only back when I trust that the developer has shown that they have the technical capacity to complete the project.

Statistic	Value
Total Responses	3

29. Gaming Forums

#	Question	1	2	3	4	5	Total Responses	Mean
1	Never:Very Often	5	6	4	8	7	30	3.20

30. Gaming Blogs

#	Question	1	2	3	4	5	Total Responses	Mean
1	Never:Very Often	4	8	1	11	6	30	3.23

31. Gaming Videos (Ex. You-tube)

#	Question	1	2	3	4	5	Total Responses	Mean
1	Never:Very Often	6	9	4	7	4	30	2.80

32. Professional Developer Networks or News

#	Question	1	2	3	4	5	Total Responses	Mean
1	Never:Very Often	9	6	5	5	5	30	2.70

33. Friends

#	Question	1	2	3	4	5	Total Responses	Mean
1	Never:Very Often	7	5	7	9	2	30	2.80

34. Family

#	Question	1	2	3	4	5	Total Responses	Mean
1	Never:Very Often	19	6	2	1	2	30	1.70

35. Kickstarter Staff Recommendations

#	Question	1	2	3	4	5	Total Responses	Mean
1	Never:Very Often	20	2	6	2	0	30	1.67

36. Browsing the Kickstarter Website

#	Question	1	2	3	4	5	Total Responses	Mean
1	Never:Very Often	13	5	4	4	4	30	2.37

37. Other: _____

Text Response

Developers/games I follow's pages and recommendations

I browse the Popular page every week!
<http://www.kickstarter.com/discover/categories/video%20games/popular?ref=more>

Who I hear the news from has no bearing on what I think of the game.

twitter!

Statistic	Value
Total Responses	4

38. In your opinion, how much risk is there in backing a Kickstarter project?

#	Question	1	2	3	4	5	Total Responses	Mean
1	No Risk:Very Risky	3	14	3	8	2	30	2.73

39. In your opinion, how likely is the average Kickstarter gaming project to succeed?

#	Question	1	2	3	4	5	Total Responses	Mean
1	Not Very Likely:Very Likely	4	8	9	7	2	30	2.83

40. In your opinion, how likely is the average Kickstarter gaming project to fail?

#	Question	1	2	3	4	5	Total Responses	Mean
1	Not Very Likely:Very Likely	3	5	8	10	4	30	3.23

41. "I back Kickstarter games because it gives me more control over what I want"

#	Question	1	2	3	4	5	Total Responses	Mean
1	Strongly Disagree:Strongly Agree	4	7	8	6	4	29	2.97

42. "I want to make games"

#	Question	1	2	3	4	5	Total Responses	Mean
1	Strongly Disagree:Strongly Agree	6	6	2	3	12	29	3.31

43. Coaching (Ex. Giving advice to project owners)

#	Question	1	2	3	4	5	Total Responses	Mean
1	Never:Very Often	16	4	4	4	1	29	1.97

44. Promotion on the Internet (ie. Posting to another website/forum, social media)

#	Question	1	2	3	4	5	Total Responses	Mean
1	Never:Very Often	6	4	6	4	9	29	3.21

45. Promoting to friends (By any means: ex, in person, online, phone)

#	Question	1	2	3	4	5	Total Responses	Mean
1	Never:Very Often	3	6	5	7	8	29	3.38

46. Financial support

#	Question	1	2	3	4	5	Total Responses	Mean
1	Never:Very Often	1	2	7	14	5	29	3.69

47. How satisfied are you with the current gaming industry?

#	Question	1	2	3	4	5	Total Responses	Mean
1	Very Dissatisfied:Very Satisfied	3	10	7	9	0	29	2.76

48. How satisfied are you with industry games released within the past 2 years?

#	Question	1	2	3	4	5	Total Responses	Mean
1	Very Dissatisfied:Very Satisfied	4	13	5	7	0	29	2.52

49. How strongly do you agree with the statement: "Publishers are out of touch with the gaming community"?

#	Question	1	2	3	4	5	Total Responses	Mean
1	Strongly Disagree:Strongly Agree	1	4	4	7	13	29	3.93

50. What is your age?

#	Answer	Response	%
1	Under 10 years	0	0%
2	10-20 Years	9	31%
3	20-30 Years	18	62%
4	30-40 Years	2	7%
5	40-50 Years	0	0%
6	Over 50 years	0	0%
	Total	29	100%

51. What is your gender?

#	Answer	Response	%
1	Male	27	93%
2	Female	2	7%
	Total	29	100%

52. What is your approximate annual income?

#	Answer	Response	%
1	\$0-\$20,000	23	79%
2	\$20,001-\$40,000	2	7%
3	\$40,001-\$60,000	1	3%
4	\$60,001-\$80,000	3	10%
5	\$80,001-\$100,000	0	0%
6	\$101,000-\$200,000	0	0%
7	Over \$200,000	0	0%
	Total	29	100%

Appendix C: Revised Kickstarter Themes Based on Netnography

1. **Nostalgia**

- a. Nostalgia, played the original when I was a kid.
- b. Old Game with Today's Technology-
- c. Bringing back the Genre, This genre should never have died
- d. Revival of Core Gamers-

2. **Compelled**

- a. Compelled to give to the cause, can't help not giving, helpless, "robbery"
- b. Faith based
- c. Rewards
 - i. I want this reward

3. **Development Participation** – not necessarily wanting to become a developer

- a. Marketing projects they like
 - i. Will Promote on Social Network-
 - ii. Give Publishing Advice-
- b. Giving feedback on game design
 - i. Technical Specifications-
- c. Want to give input on the game's construction: ideas, platforms, languages,
- d. *Developer Aspirations***
 - i. I want to be a developer

4. **Us against the Industry**

- a. I'd rather give my money directly to you (than to a publisher)
- b. Show the game industry what they really want in a game/types of games they want. Publishers are out of touch with the industry
- c. Give us what we want-
 - i. I wanna be a girl-

- d. The Creators really care-
- e. Support the underdog
- f. Different values and norms for the industry

g. *Supporting a cause*

- i. Bring back the genre
- ii. Ex. Open content policy
 - 1. Not really a genre fan, but pledged nonetheless. I'm supportive of your free-content policy

iii.

5. **Being part of a community**

- a. The (insert gaming community here) community is with you.
- b. Crossposted- from another kickstarter project
- c. Backed For a Friend-
- d. Played and loved previous games by the developer(s)
- e. Supporting friends and people I admire*
- f. I am a developer and I'm supporting other developers*
- g. *Be a part of something bigger than yourself***
 - i. Be a part of history in the making

6. **Dream come true**

- a. I had that idea, and now someone is actually doing it

7. **Innovative and Out of the Box**

- a. New and Different-

Appendix D: Kickstarter Project Stats

Kickstarter Project Stats as of April 16, 2013							
Category	# of Successfully Funded Projects	Less than \$1K Raised	\$1K to \$9,999 Raised	\$10K to \$19,999 Raised	\$20K to \$99,999 Raised	\$ 100k to \$999,999 Raised	\$1M Raised
All	39,545	4,645	26,191	4,887	3,286	509	27
Music	11,189	1,169	8,377	1,194	432	16	1
Film & Video	9,654	986	5,980	1,491	1,102	94	1
Art	3,977	759	2,798	301	115	4	0
Publishing	3,240	531	2,168	338	192	11	0
Theater	2,736	389	2,077	196	72	2	0
Games	1,586	93	677	290	383	127	16
Design	1,367	107	515	248	368	126	3
Food	1,279	69	686	315	202	7	0
Comics	1,104	163	692	140	93	15	1
Photography	1,058	172	711	125	50	0	0
Dance	865	76	732	45	12	0	0
Fashion	827	92	521	113	87	14	0
Technology	663	39	257	91	178	93	5

*Units are in the number of projects that successfully raised the funds indicated.

REFERENCES

- Albert M. Muniz, Hope Jensen Schau. "Vigilante Marketing and Consumer-Created Communications." Journal of Advertising Fall 2007: 35-50.
- Congressional Research Service. "GovTrack." 13 March 2012. S. 2190: Capital Raising Online While Deterring Fraud and Unethical Non-Disclosure Act of 2012. <<http://www.govtrack.us/congress/bills/112/s2190>>.
- Elizabeth M. Gerber, Julie S.Hui, Pei-Yi Kuo. "Crowdfunding: Why People are Motivated to Participate." Segal Design Institute Technical Report 2012.
- Hope Jense Schau, Albert M. Muñiz Jr., Eric J Arnould. "How Brand Community Practices Create Value." Journal of Marketing (2009): 30-51.
- Indiegogo Inc. How Pricing Works on Indiegogo. 2013. <<http://www.indiegogo.com/>>.
- Julie Hui, Elizabeth Gerber, Mike Greenberg. "Easy Money? The Demands of Crowdfunding Work." Segal Design Institute Technical Report 2012.
- Kickstarter, Inc. Kickstarter Stats. 14 March 2013. <<http://www.kickstarter.com/help/stats?ref=footer>>.
- Merchant, Altaf and John Ford. "Nostalgia and Giving to Charity: A Conceptual Framework for Discussion and Research." International Journal of Nonprofit and Voluntary Sector Marketing 13.1 (2008): 13-30.
- Micheal D. Greenberg, Elizabeth Gerber. "Crowdfunding: A Survey and Taxonomy." Segal Design Institute Technical Report 2012.
- Parker, Philip M. "Webster's Online Dictionary with Multilingual Thesaurus Translation." 2012. Definition: INVESTOR. <<http://www.websters-online-dictionary.org/definitions/INVESTOR?cx=partner-pub-0939450753529744%3Av0qd01-tdlq&cof=FORID%3A9&ie=UTF-8&q=INVESTOR&sa=Search#906>>.
- Pralhad, C.K. and Venkataram Ramaswamy. "Co-Creating Unique Value with Customers." Strategy & Leadership (2004).
- . "Co-Creation Experiences: The Next Practice in Value Creation." Journal of Interactive Marketing 18.3 (2004): 5-14.
- . "The Co-Creation Connection." n.d. Tantum Strategy and Results. 19 March 2013 <http://www.tantum.com/tantum/pdfs/2009/2_the_co_creation_connection.pdf>.
- Robert V. Kozinets, Andrea Hemetsberger, Hope Jensen Schau. "The Wisdom of Consumer Crowds." Journal of Macromarketing December 2008: 339-354.
- Sanders, ELizabeth B. -N and Pieter Jan Stappers. "Co-Creation and the New Landscapes of Design." Co-Design: International Journal of CoCreation in Design and the Arts 4.1 (2008): 5-18.