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CROWDFUNDING AS A CUSTOMER ENGAGEMENT CHANNEL

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<p>This thesis aims to explore the application and effects of customer engagement techniques to the field of online crowdfunding. The research was commissioned by TJR Games Oy and is aimed to be applied in the process of crowdfunding campaigns organizing for a game project developed by the company. The goal of the study is to come up with recommendation regarding the fund-raising process organization, focusing on establishing communication with customers.</p> <p>Chapters 2 and 3 cover theory behind the concepts of Crowdfunding and Customer Engagement. Firstly, the concept of Crowdfunding is defined, explaining the functions and the common types of crowdfunding, as well as uncovering the demographical data and motivational forces behind the service users. Secondly, Customer Engagement is explained in both traditional sense and as viewed in the modern era of digital marketing. Chapter 4 provides a closer look on the context of the research, discussing the independent games industry and introducing the commissioning party of the thesis. Further on, the chapter explains the research and data collection methods. Finally, the research results are interpreted. The final outcomes are discussed and recommendation for the commissioning party are presented in Chapter 5.</p> <p>The selected research method for the thesis is quantitative study, conducted through online survey of crowdfunding service consumers – people who have experience of supporting online fund-raising campaigns. The survey is based on the users' experiences and preferences, with focus on communication with project developers before, during and after making a contribution.</p>	
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PREFACE

The idea for this thesis came to me, while I was going through my practical training in Team Jolly Roger - a part of Kajak Games Co-op at the time. Over the course of my training, I have learnt a lot about the independent games industry and truly passionate game developers standing behind it. One of such inspiring enthusiasts was Niklas Saari, the leader of the team and currently the CEO of TJR Games Oy, which was built on the grounds of Team Jolly Roger, and is the commissioner of the thesis. I thank Niklas for his immense help and direction throughout my training and his assistance to my research.

My gratitude goes out to the teaching staff of Kajaani University of Applied Sciences, notably to my supervisor, Sami Malm, for his understanding and guidance in the process of this research and over the course of my degree studies in the KUAS.

I would like to deeply thank my boyfriend for supporting me through the most critical moments of my academic studies and this thesis in particular.

Finally and most importantly, I wish to dedicate this thesis to my mother, whose patience, everlasting forgiveness and considerable financial sacrifices have made this research and my degree possible.

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1 INTRODUCTION

With the development of the Internet, access to various kinds of information has become simple and effortless. Gradually, online social media has developed to a degree, where users can share freely their preferences for various products, thus, providing customer information and feedback to producers. Nowadays, most companies have their own communities in various social media channels, where they can get in touch with their customers and get attention of new potential consumers. Engaging customers into conversations, exchanging ideas, becoming a part of the consumers' everyday life has become a common practice, leading us to the new era of marketing, where companies are no longer abstract distant entities delivering products.

Simultaneously, channels of online distribution have developed, as well, allowing purchasing online products that are not widely available on the market for consumers around the globe. Eventually, consumers have got a possibility not only to discover and purchase niche products, but, also, to participate in funding the production online through the means of crowdfunding, therefore, allowing the producers to come up with more original product ideas.

Customer engagement and crowdfunding are the two theoretical concepts in the core of this study. The research aims to explore the connection of the two concepts, observing the importance and implementation of customer engagement while crowdfunding a project. The research problems are:

- How are consumers getting involved in a crowdfunding process?
- How can customer engagement concept be used to boost a campaign's potential for success?

The final goal of the study is to determine whether a campaign can bring marketing benefits and to come up with relevant practical recommendations concerning campaign organizing for the commissioning party, TJR Games OY – a video game developing company based in Kajaani, Finland.

The research does not focus on developing an attractive project idea for customers to contribute to, but rather studies the marketing elements of the way a campaign should be organized.

The thesis has attempted achieving the goal by, firstly, compiling a theoretical research on relevant concepts. Secondly, the author has conducted a quantitative research by surveying a sample of people with experience of funding projects through crowdfunding campaigns in order to define tendencies in customer preferences.

The biggest difficulty in the research process was the lack of theoretical information available. As online crowdfunding is a relatively new concept, no thorough academic studies have been conducted yet. The field of the Internet marketing is also constantly developing, thus, the available theoretical information is losing relevance rapidly, failing to catch up with constantly emerging concepts. Therefore, presenting a clear up-to-date picture of customer engagement online appeared to be challenging. Often, the information had to be obtained from online blogs and news portals. However, hopefully, this research will become a worthy contribution to the selection of the academic researches on the topic and be a solid foundation for future studies.

2 CROWDFUNDING CONCEPT AND FUNCTIONALITY

Crowdfunding has become a widely used term relatively recently; however, the essential concept is not new to the world. The simplest definition of crowdfunding is: “the practice of funding a project or venture by raising many small amounts of money from a large number of people”. Nowadays, the most talked about form of crowdfunding is raising funds via the Internet services. This thesis will primarily be focusing on that particular area. (Prive 2012)

The reason crowdfunding has become so widely spoken of is the passing of the JOBS (Jumpstart Our Business Startups) Act in the U.S.A, in 2012, which brought into the legal limits the opportunity to purchase company stock through the Internet crowdfunding services. However, different forms of crowdfunding have been utilized successfully and legally before the act was passed. (Prive 2012)

Nevertheless, crowdfunding presents not simply a fund-raising opportunity, but, also, most importantly for the present research, a great marketing potential. A crowdfunding campaign allows measuring the public interest in a certain product or service, as the online fund-raising services allow seeing the potential customers supporting the campaign and willing to spread the message even further.

2.1 Types of Funding Contributions

There are five main types of funding existing. Each type is applicable to different sort of businesses and products. The first type is crowd donations - donation-basis contributions implying that the producer is not bound to give any reward to the contributors. In some cases, an immaterial acknowledgement can serve the purpose of reward in this case, such as the contributor’s name in the credits or a special “Thank you” message form the producers. Crowd sponsoring implies the promise of a certain kind of reward for the funders, such as merchandise items. Crowd pre-selling usually lets the funders contribute in return for the product, when it is completed. For example, the campaign is aimed to collect funds for producing a video game. In return for their contributions, the funders receive a copy of the game, when it is finished. Crowd lending lets funders contribute a sum of money and expect

to gain the contribution back with addition of the product profit share, if any profit is made. The lending method often includes a risk of the business venture failing at bringing any returns to the funders at all. Crowd entity allows the contributors to receive equity in the funds recipient company, which can include, for example, shares, dividends or voting right. In the given research, the focus will be on the common combination of the first three types: crowd donation, crowd sponsoring and crowd pre-selling, as those are most relevant to the case an. (Hemer 2012, 13-14)

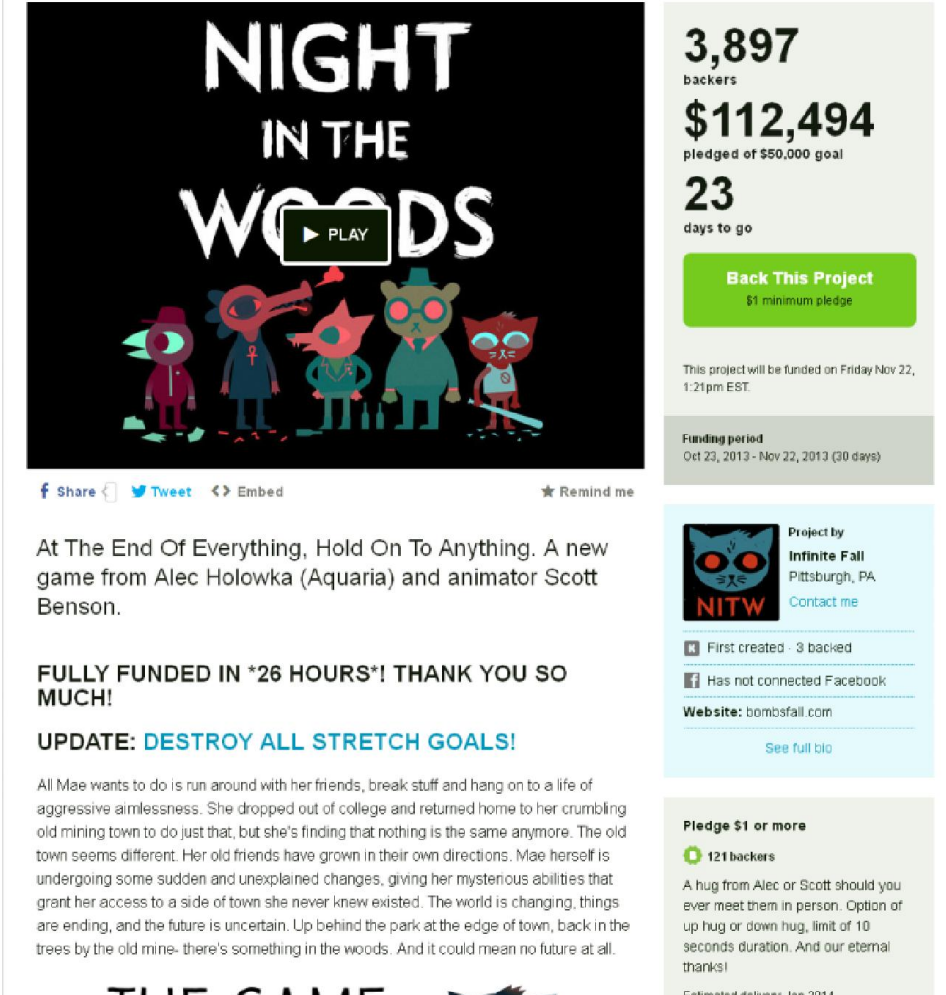
2.2 A Campaign Set-up Process

So, how exactly does a crowdfunding process work via the Internet? To begin with, there are many various online crowdfunding platforms existing, focusing on different business fields. For instance, Kickstarter, one of the most famous crowdfunding platforms, is focusing on funding creative projects, such as films, books, art projects. However, focuses of online crowdfunding services may vary dramatically, from funding scientific research or helping people in need of medical assistance, to sponsoring pornography projects. A campaign can be started not only by a company, but also by a private person, for his/her private needs or charitable causes. Normally, it is required that fund recipients are a registered company/entrepreneur, unless the campaign is for a cause of a private person. (Steinberg 2012, 24-27)

The following information is based upon the conditions of Kickstarter and Indiegogo, which are the largest and the most relevant online crowdfunding services to the subject of the given thesis.

Once an appropriate online service has been chosen, a campaign page is needed to be set up. A campaign page normally includes several essential elements (see Figure 1). Firstly, there is always a message from a company or an individual standing behind the campaign. The message can be presented in various forms, however, the most popular and effective form is a video-message, as it is the easiest to comprehend for the general audience. Usually, combinations of text and video are used. The message usually contains of an introduction of the company/individual, the project in question and the detailed explanation of how much funding is required and what exactly it will be used for. For instance, a feature film production requires funds for paying wages for the crew and the cast, hiring a visual effects

specialist, etc. Furthermore, the amount of funds required and the progress in reaching the project goals are normally specified on the project page, as well as the period of time the campaign lasts for. Also, contact information of the project developers is provided. (Kickstarter 2013; Steinberg 2012, 24-27)



The image shows a screenshot of a Kickstarter campaign page for the game "Night in the Woods". The main banner features the title "NIGHT IN THE WOODS" in large, white, stylized letters against a black background. Below the title is a "PLAY" button and a row of five colorful, stylized characters. To the right of the banner, a green box displays the campaign's progress: 3,897 backers, \$112,494 pledged of a \$50,000 goal, and 23 days to go. Below this is a green button that says "Back This Project" with "\$1 minimum pledge". Further down, it states the project will be funded on Friday, Nov 22, at 1:21pm EST. The funding period is listed as Oct 23, 2013 - Nov 22, 2013 (30 days). Below the banner are social media sharing options (Share, Tweet, Embed) and a "Remind me" button. The main text describes the game as a new project by Alec Holowka (Aquaria) and animator Scott Benson. It includes a celebratory message: "FULLY FUNDED IN *26 HOURS*! THANK YOU SO MUCH!" and an update: "UPDATE: DESTROY ALL STRETCH GOALS!". A short paragraph of the game's premise follows, mentioning a character named Mae and her friends in a mining town. On the right side, there is a section for the project creator, "Project by Infinite Fall Pittsburgh, PA", with a "Contact me" button. Below that, it shows the project was first created 3 backed, has not connected to Facebook, and provides the website "bombsfall.com". A "See full bio" link is also present. At the bottom right, there is a "Pledge \$1 or more" section with 121 backers and a description of the reward: "A hug from Alec or Scott should you ever meet them in person. Option of up hug or down hug, limit of 10 seconds duration. And our eternal thanks!". The estimated delivery date is listed as Jan 2014.

Figure 1 Kickstarter Campaign Page for a Game Project *Night in the Woods* (Kickstarter 2013)

Funding options and the rewards are usually also specified on the project page. Potential contributors are given options of how much they can contribute and a list of rewards applicable for each contribution option. The rewards for contributions are, however, optional. Frequently, a combination of donations, sponsoring and pre-selling contributions can be found. For instance, minimum sum contributions, such as 1\$, are often taken as donations. Certain contributions offer the final product as a reward. Other rewards can contain both tangible and intangible goods. For example, crowdfunding campaign for a feature film "Wish I Was Here", which was hosted at Kickstarter in 2013, among other

tangible rewards offered a poster signed by the film's director and the cast members. Among the intangible rewards, the campaign offered contributors a part in the film and a line written especially for them by the creators of the film. In some cases, funders get an opportunity to have a minor impact on the product design. For instance, they get to choose a name for a character in the funded video game. (Kickstarter 2013; Steinberg 2012, 24-27)

Online crowdfunding services, normally, offer two basic types of funding plans for fund recipients: flexible and fixed. Flexible plan suggests that all the contributions pledged will be received by the recipient, no matter whether the targeted goal is achieved or not. Fixed funding plan, on the contrary, suggests that the project organizers only receive the pledged contributions if the goal has been reached, and only receives the exact sum that was requested, neither more nor less. In the fixed funding plan scenario, should the project not receive the targeted amount of funds, all the contributions will be repaid to the funders. The online crowdfunding service used for the campaign charges a commission fee on the received funding. The commission conditions may vary, depending on the service in use. For instance, Indiegogo charges 4% of received funds for both flexible and fixed funding plans campaigns. Campaigns organized by non-profit organizations are entitled to discounts on the commission fees. (Indiegogo 2013; Kickstarter 2013)

2.3 Risks Involved

As any aspect of business, following the crowdfunding path has its own risks and setbacks, which are important to consider. Firstly, a failed campaign can damage the brand's reputation, not only in the eyes of the public, but also for other potential future investors. Moreover, the costs of conveying the campaign can be unpredictably high, thus, should be thoroughly considered. While usage of the online crowdfunding services is free, it may take significant amount of resources to advertise the campaign itself, provide rewards for the project funders, etc. Finally, if the finished product does not meet the expectations of the funders or, worse, the business fails to set up production for whatever reason, the image of the entire company can be severely damaged, including turning the public off all the possible future products of the company or, sometimes, other future businesses involving the failed company's members. (Steinberg 2012, 37-39)

Nevertheless, businesses should not be discouraged by the possible risks, as those can often

be avoided by cautious consideration and thorough planning. Online crowdfunding services still remain one of the most effective ways to kick-start innovative and creative-products businesses, allowing the companies to get support directly from their audience. Kickstarter has announced that there have been 2.2 million people supporting their projects in 2012. A total of over \$319 million has been contributed the same year, out of which, \$83 million were contributed to gaming projects, making games the most funded project category at Kickstarter (see Table 1). (Kickstarter 2013)

Table 1 Kickstarter's Statistics by Project Areas for 2012 (Kickstarter 2013)

Category	Launched	Successful	Pledged	Pledgers
Art	3,783	1,837	\$10,477,939	155,782
Comics	1,170	542	\$9,242,233	177,070
Dance	512	381	\$1,773,304	23,807
Design	1,882	759	\$50,124,041	536,469
Fashion	1,659	434	\$6,317,799	83,064
Film&Video	9,600	3,891	\$57,951,876	647,361
Food	1,828	688	\$11,117,486	138,204
Games	2,796	911	\$83,144,565	1,378,143
Music	9,086	5,067	\$34,953,600	522,441
Photography	1,197	427	\$3,283,635	46,550
Publishing	5,634	1,666	\$15,311,251	262,738
Technology	831	312	\$29,003,932	270,912
Theater	1,787	1,194	\$7,084,968	95,225

Interestingly, games remain the most funded category not only over 2012, but over the whole existence of Kickstarter, bringing in over \$186 million funded out of Kickstarter's total of \$849 million.

2.4 Project Funders' Motivation

The main motivational forces behind giving are sympathy, empathy, guilt, happiness and identity. These can be applied to crowdfunding, as well. Consumers tend to support ideas that give them emotional fulfillment, therefore, the funders' primary motivation is not material. (Gerber, Hui & Kuo 2012)

According to a survey research conducted previously, personal identification with the project's subject and goals is of crucial importance for the funders' motivation. Supporting relevant ideas gives funders the satisfaction of belonging to a community with similar priorities. (Hemer 2011, 13-14) This directly applies to Maslow's hierarchy of needs as one of the esteem needs, fulfilled by being accepted and valued by others. (Maslow 1943)

Supporting creative projects often allows funders to feel like a part of the community they otherwise would not get a chance to be a part of. The contributors get a chance to follow through the whole process of a creative production – an opportunity rarely accessible by individuals not related to creative production professionally. (Gerber, Hui & Kuo, 2012)

Furthermore, a funder experiences a satisfaction of observing the eventual success of the project, which often correlates with the satisfaction of being a part of the technology pioneers or completing an important social mission. The enjoyment a contributor gets from engaging in interaction with the project team is also vitally important. (Hemer 2011, 13-14)

However, sometimes, motivation can be not material, yet rather practical. For instance, a funder might expect the project team to contribute to his/hers own future crowdfunding project or establish personal/professional contacts. (Hemer 2011, 13-14)

2.5 The Marketing Value of Crowdfunding

The potential financial benefits of investing time and effort in an online crowdfunding campaign are substantial. However, does it bring in any benefits from marketing perspective? Is the nature of the perks purely financial?

The three essential marketing functions of crowdfunding are: Research, Promotion and Engagement. The research function presumes crowdfunding as a market research tool, as a crowdfunding campaign allows receiving feedback on a given product, as well as, estimating the potential customer base. Some projects offer their supporters an opportunity to participate in product design. Consumers' input often allows adopting the product to be more attractive for the potential market. Interacting with potential customers has been proven to have positive influence on the product's future success rate. (Gruner & Homburg 2000)

Belleflamme, Lambert & Schwienbacher (2013, 4-8) claim that crowdfunding services can be used to promote a product by encouraging consumers to spread information about it through the word of mouth.

Previously conducted research on the topic states that the majority of the companies interviewed for the research claimed that crowdfunding campaigns were of major significance for their products marketing. Some of the companies organized their fundraising campaigns for purely marketing purpose, as it was considered the easiest and the cheapest way of advertisement. Many of the interviewed companies state, that their crowdfunding campaigns helped to draw attention of press and media to their products. Furthermore, the interviewees claimed that the funding contributors tend to become active promoters of the products themselves, as the feeling of involvement in the funded project motivates them to spread the word around the people they know. Thus, crowdfunding appears to be an efficient way of building up the consumer base. (Gorshkov 2011, 22-23)

Not only a crowdfunding campaign can assist in attracting new customers, it can also be a channel for collecting feedback about the product. That is especially true for software and game development industry, which is the primary focus of this thesis. The potential funders get an opportunity to observe the development at the early stage, share their opinions on whether the idea is worth the effort in the first place, or, if any aspect of the development needs a radical change. (Gorshkov 2011, 19)

A crowdfunding campaign offers an increased social media exposure, as many potential funders can discover the campaign at the crowdfunding service's website, for example. On the popular services websites, such as Kickstarter, where online traffic is particularly heavy, the visitors get exposed to the information about new campaigns or can simply discover them while browsing the site. The offered exposure at the campaign hosting website can, as well, lead to further spreading of the word by users or media. Customers are often willing to spread the information about the projects they support through social networks, allowing the project developers to establish their own online communities. (Gerber, Hui & Kuo 2012) A more detailed take on the importance of social media and establishing online communities is presented in the following chapter, Customer Engagement Marketing.

Finally, engagement with the customers is achieved through rewarding them with certain perks for their donations. As it was mentioned previously, the rewards can be both tangible

and intangible. However, another part of customer engagement is not simply rewards, but establishing two-way communication between the funds recipients and the funders, engaging the customers into a community, urging them to feel a part of the group. (Gerber, Hui & Kuo 2012)

2.6 Crowdfunding User Statistics

Several researches have been carried out in order to determine crowdfunding user demographics and behavior. However, most of the demographic statistics available are divided by certain platforms. For example, separate statistics for Kickstarter and Indiegogo.

Statistics show the gender composition among the people, who make donations to crowdfunding campaigns is 64% male/ 36% female (see Table 2). (Mulholland 2013) Similarly, statistics comparative statistics provided by Altun (2013) show the approximate rate of 64%/36% on average, when comparing Kickstarter's rate of 78% male visitors and Indiegogo's rate of 50%. However, gender composition of people, who view the campaign page, but do not support the project is significantly different – 35% male/65% female. (Mulholland 2013) Previous research had determined that males tend to be more willing to risk funding startups and new producers unfamiliar to them previously. (oBizMedia 2013)

Table 2 Crowdfunding Contributors Gender Composition (Mullholland 2013)

Gender	Percentage of the population
Male	64 %
Female	36 %

Another significant demographic variable is age. According to Mulholland (2013), the most populous age groups among funders are 25-34, 35-44 and 45-54 years old, which comprise 25%, 21% and 21% of the total campaign contributors' population respectively (see Table 3). Statics provided by Altun (2013) for Indiegogo and Kickstarter crowdfunding platforms, show similar result with 18-44 years-old-group being the most active in contributing to projects. Furthermore, according to survey statistics provided by Gamasutra gaming news source (Polson, 2012), 80% of project contributors do not personally know anyone who has organized a crowdfunding campaign themselves.

Table 3 Crowdfunding Contributors Age Composition (Mullholland 2013)

Age category	Percentage of the population
18–24	8 %
25–34	25 %
35–44	21 %
45–54	21 %
55–64	17 %
65+	8 %

Concerning the frequency of campaign participation, a survey carried out by gaming news source, Gamasutra (Polson, 2012), among their readers states that within half a year before the survey was conducted, most of the respondents have participated in one of more campaigns. Only 15% of the respondents have not participated in any campaigns at all.

Table 4 Funder’s Campaign Participation Experience (Polson 2012)

Number of campaigns taken part in	Percentage of the population
0	15 %
1-3	40%
over 4	45%

Among the supported projects, only approximately 20% of the projects do not get mentioned to anyone by the funders. This leaves about 80% of projects that funders wish to share information about – the vast majority. Most commonly, funders prefer to share the information about projects through word of mouth – 59% of funders prefer spreading the information this way. The other popular ways of sharing information about campaigns are Facebook posts, Twitter posts, community forums, gaming websites articles or blog posts, email and Reddit posts (presenting in order of descending popularity). (Polson 2012)

According to the same research, among various factors influencing potential funders to turn a project down, the most influential one is lack of interest in the project idea. However, among the other factors are the lack of confidence in the developers’ ability to finish the project and lack of interest in the rewards. (Polson 2012)

2.7 Online Communities' Role in a Campaign's Success

According to Crowdfunding Statistics (Fundable 2013) social media has a direct effect on the crowdfunding campaign success, as trending of the news about a given campaign, increases the probability of success drastically. Thus, proving the point, that has been mentioned previously, that established online presence is crucial for developers.

Online presence for a brand can be primarily established through setting up an online community, which is becoming increasingly simpler in the current digital age. The customers, who have given a donation to a crowdfunding campaign, will usually be sharing information about the campaign online. The funders do so not only to share an experience, but, also, because they are normally genuinely wishing for the campaign to succeed and are willing to show support for it in ways other than monetary, as well. (Gerber, Hui & Kuo 2012)

Consequently, the enthusiastic customers, sharing their experiences, attract new potential funders and, later on, form a community – the existing customers share information and tips with each other, discussing their experiences, as well as providing product feedback for the producers. (Fowler & Pitta 2005, 283-291)

However, managing online communities should be taken with responsibility, particularly selection of community managers. A known case of controversy around the community manager of crowdfunded game is project *Mighty No. 9*, funded on Kickstarter in 2013. The creators of the game, Comcept USA, LLC, have appointed a community manager, Dina Abou Karam, to handle the community duties. However, after a research has been done on Karam's profile in social media, many funders were dissatisfied with her aggressive views on representation of females in video games and gender identity. Even though Karam's controversial views did not have direct relation to the game project, the incident led to many contributors asking for their money back, as they were afraid that Karam might have influence on the game's design. (Luzar 2013)

In conclusion, using crowdfunding services can not only provide sufficient funds for supporting a business, but, more importantly, it can help a company to get potential consumers enthusiastic about a product, spread the word around, measure the public interest in a product or service and collect feedback directly from the potential customer

base. In addition to that, all the rights for the intellectual property of the projects in question remain belonging to the initiating company. Neither the selected crowdfunding service provider, nor any of the contributors have any rights for the intellectual property of the project. (Steinberg 2012, 11-13; Kickstarter 2013; Indiegogo 2013)

3 CUSTOMER ENGAGEMENT

Engagement process mainly consists of providing customers with a memorable experience that would encourage the consumers to spread the word of mouth about the company's products. Essentially, it builds up a special connection between the company and its customers, thus, providing the customers with additional value to the products. The key path to establishing communication is sharing content that encourages customers to contact and interact with the company. (Goodman 2012, p xv)

3.1 Customer Engagement Concept and Its Significance Today

Seemingly, just like crowdfunding, customer engagement concept is not a novelty and, essentially, has always existed as a part of the market economy. However, in the current consumer era, the engagement concept has become more important than ever, which is caused by several factors. To begin with, nowadays, customer loyalty is significantly reduced, when compared to previous decades, which is caused by media fragmentation. A consumer nowadays has a wide selection of products to choose from, therefore, even a satisfied customer might not necessarily stay loyal to the brand. Highly developed media has also broadened opportunities of delivering marketing content, thus, shifted customer expectations. The new media can allow customer experiences to be increasingly more interactive, hence, more meaningful to consumers. Development technology and social media in particular has affected the consumers' behavior patterns. For instance, popularity of traditional media, such as radio, TV, printed press, has dropped significantly, in comparison to online media. (Chaffey 2007)

Customer involvement with the product consists of five main components. The first component is consumer's personal interest in the given product category, which brings the consumer to the product in the first place. Secondly, consumer considers possible negative impact caused by a wrong choice of a product, as it is perceived by the consumer. The other three influential factors are the probability of making a bad purchase, the pleasure value of the product category and the degree of how closely the product category is related to the consumer self. (Solomon 2004, 127-131)

In the case of this research, among the consumers who are to be involved in the crowdfunding campaign, the opinions and factors forming the listed above components are supposedly already formed as a part of the consumer profile. The campaign is aimed to be targeted to a certain category of consumers: gamers, who play games on a regular basis (hardcore gamers).

The aim of the campaign is to develop a bond with the consumers. That can be done by maintaining an ongoing relationship, repeating interactions with them. Researches show that an ongoing relationship with consumers helps them to feel more involved, thus, making the product/service more meaningful. Feeling more related to a product encourages customers to stay loyal to the brand. (Solomon 2004, 127-131)

3.2 Customer Engagement Marketing Cycle

Customer engagement marketing cycle consists of four main stages (see Figure 2). The first stage is providing an experience for customers. Creating a memorable experience for the customer can consist of different elements. For example, it can mean providing an exceptional service, or it can be simply remembering a customer's name. A great experience is what lets the customer differentiate a certain company form numerous others. (Goodman 2012)

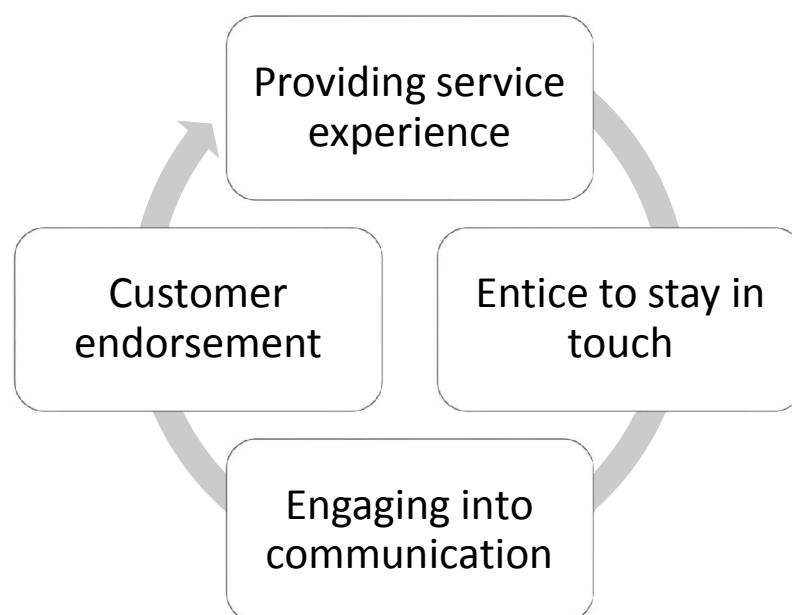


Figure 2 Customer Engagement Marketing Cycle (Goodman 2012)

After the experience is provided, the next stage is enticing the customers to stay in touch. As established communication is the key element of customer engagement, providing the customer with means of supporting the communication is essential. The stated above can be done by simply providing the customer with contact information, encourage to follow the company at social networks, or numerous other ways. However, Goodman states that it is vitally important to consider the ways of enticing the consumer to connect in the meantime or immediately after the business interaction is completed. (Goodman 2012)

Once the customers are provided with the path for communication, the next stage is the actual engagement into communication. After delivering the service experience for the customers and encouraging them to connect with the company, the engagement phase begins. The consumers are invited to participate in the conversation with the company. Communication can be, and most frequently is, set up in relation to the content, shared by the company. In the online marketing perspective, the content can be easily shared through social networks (see 3.3 Customer engagement online). (Goodman 2012)

As the result, consumers often get more enthusiastic about the product or brand, which leads to spreading the word-of-mouth – the ultimate goal of the customer engagement process, as the customers share their service experiences with others, thus, attracting new potential customers. (Goodman 2012)

3.3 Customer Engagement Online

Nowadays, the Internet is often the most efficient platform for companies marketing, which is caused by several factors. Firstly, it is an open network, which any consumer can join to get engaged in marketing process. Hence, a company can access consumers at virtually any location in the world, without compromising the richness of communication, allowing communication to be more direct and precise. Moreover, with the development of technology, joining in is becoming increasingly easier, as more and more consumers get access to the Internet. Secondly, usage of the Internet is cost-efficient, as the expenses on material aspects of the marketing campaigns are reduced. Lastly, the communication process

is sufficiently accelerated, as the problems of physical delivery of the message are eliminated. (Sawhney, Verona & Prandelli 2005)

The key idea behind customer engagement online is utilization of online social media tools in order to carry out conversations with customers. The most important difference between the traditional customer involvement and the involvement in the online era is that today's media means allow companies talking *with* customers, instead of simply talking *to* them. Therefore, establishing a two-way communication, that allows taking a closer look at the customers' needs and expectations. (Goodman 2012, 4-5)

There is a wide range of possibilities for establishing connections with customers online, as there is a great variety of social networks, with different profiles. The range varies from generally popular and common social networks, such as Facebook, with active users totaling 1.9 billion, to smaller networks, devoted to a certain theme, such as IndieDB – a niche social network uniting gamers, who enjoy games made by independent developers. The number of IndieDB users is currently over 400,000. The listed above and other social networks allow the companies not only sharing their own content with their customer-subscribers, but, more than that, to let the customer-subscribers themselves to share their related content. For example, users can share with their friends the news about the latest game they bought (see Figure 3). (Facebook 2013; IndieDB 2013)



Figure 3. A Facebook User Sharing a Box Picture of a Purchased Game. (Facebook 2013)

Word of mouth is often considered to be the most efficient way of marketing communication, as it is perceived to be more reliable and significant by the consumer. Researches show that consumers tend to trust experiences of their peers more than any other type of advertisement. With the use of the social networks, word of mouth is spread through multiple exchanges, giving the potential for the message to influence numerous receivers. (Brown, Broderick & Lee 2007)

4 CROWDFUNDING AS CUSTOMER ENGAGEMENT CHANNEL

Independent video game industry, as a relatively new phenomenon, has its own specifics and features that make crowdfunding particularly significant for developers and the audiences. In the recent years, online crowdfunding has become not only possible, but fairly common for various game projects.

4.1 Independent Game Industry Distribution

Video game business as we know it started to emerge only in 1970s (although, the starting point of the industry can be debated), therefore, it is still a relatively young industry. With the digital distribution gaining scale in the latest years, game business has been changing dramatically and will continue to change in the following years, according to major prognosis', as games increasingly become a digital product. (Kent 2001, 6-20; NASDAQ 2013)

The increase of digital distribution usage has allowed decreasing the production and distribution costs for games, which, consequently, allowed the existence of independent, or so called "indie", game developers. The key idea of independent developers is creating games without involvement of publishers, giving the developers more artistic freedom. As a result, developers create a greater variety of products, which allows fulfilling the needs of niche markets. (Parker 2011)

An optimal way to gain necessary funding for developing such niche products is crowdfunding, as it allows reaching out to the audience with demand for the products. A bright example is the case of a game called *Broken Age*, developed by the Double Fine Productions and its crowdfunding campaign on Kickstarter. As the genre of the game, point-and-click adventure, has been essentially a niche market product in the recent years, creating the game in the way the developers wished to would be problematic, if publishers would be involved. Therefore, the financial support was requested from the audience directly. As a result, the campaign has grossed \$3, 336, 371 with the help of 87, 142 funders. The first chapter of the game was successfully released in early 2014. The *Broken Age* success is partially responsible for the dramatically increased popularity of online crowdfunding in the recent years, particularly for video games. (Kickstarter 2012)

However, there are more ways of making profit with independent games, which is a so-called Free-to-Play format. The format presumes the games being distributed for free. However, there are various ways of monetizing such games. Firstly, the game might involve micropayments for various additions to the core game. While the game itself is free to play, some upgrades or items might be purchased within the game by the player. An example of such model can be observed in *World of Tanks* by WarGaming.net. (LeJacq 2012)

Another way of monetization is offering a non-complete game to the players for free with a possibility of purchasing a premium version. The free version might contain advertisements or be missing certain functions or parts of the game. An example for such model can be seen in *Angry Birds* by Rovio Entertainment Ltd. The key idea of Free-to-Play model is engaging players into the game to the degree, where they would be willing to pay. (LeJacq 2012)

4.2 The Commissioning Party

The commissioning party for the given thesis is TJG Games OY - a small-sized video game developing company based in Kajaani, Finland. The company has previously been working on developing mobile games for Windows Phone platform. Starting from 2013, the team has taken up the work on their first major game project – Interplanetary, which is a turn-based strategy for Windows, Mac and Linux operating systems; its release is anticipated in 2014.

A plan for a crowdfunding campaign for Interplanetary is the ultimate purpose of this research. However, if the research outcomes are expected to be useful in fund-raising campaigns for future projects of the company, as well. The commissioning party expects the campaign to be not only financially successful, but, more importantly, marketing-efficient, helping to spread around the word about the game project and creating a base of loyal customers not only in Finland, but world-wide.

The company has not arranged any other crowdfunding campaigns previously. Therefore, the outcomes of the campaign in question are essentially important for the company image and further projects.

4.3 Methodology

The selected study method involves two types of quantitative research: descriptive and cause-comparative. The data collection is implemented by carrying out online survey among the people who have had experience of supporting projects on various crowdfunding platforms.

4.3.1 Population and Population Sample

The target audience of the game is hardcore gamers. Fritsch, Voigt and Schiller (2006) define a hardcore gamers as someone, who takes the game seriously and puts an effort into it, which is above average. The genre of the game is turn-based strategy.

The company wishes to arrange a crowdfunding campaign not only in order to find assistance with financing the production, but, also, in order to establish deeper customer engagement, enlarger the existing customer base.

The final product will be available in English language, which makes the target audience relatively global. However, the company will also release a localized version for Russia and its neighboring Russian-speaking countries, translated into Russian language. The localized version will be released due to existing requests for the translation, received from Russian-speaking gamers.

The author has determined that an efficient population sample could be obtained among the game development students of Kajaani University of Applied Sciences, not only as it is convenient to reach, but also as the sample would include hardcore gamers, who rather probably have experience in crowdfunding campaigns participation, and have sufficient level of English language knowledge and belong to the appropriate age group. However, other sources of respondents are taken into account as well. For instance, the commissioning party is partially providing responses by publishing the survey through its social media channels.

The selected population sample size is determined to be one hundred respondents, as the number is both realistic to acquire and sufficient to work with while analyzing the data.

4.3.2 Developing and Conducting the Survey

In order to determine the questions to be included in the survey questionnaire, the author has conducted research concerning the demographics and consumer behavior statistics available concerning crowdfunding contributors. In particular, the author was looking for statistics which provide understandings of what to expect from contributors, how to attract their attention better and what channels to use for communicating with them. After acquiring the data, the most relevant statistics were selected to be tested in the questionnaire and the questions were composed.

After the first questionnaire draft was completed, it was tested with multiple respondents in order to determine possible flows in the way questions were composed. Two respondents with varying crowdfunding experiences have filled the survey form and were asked questions about the responding process. One of the test-respondents was questioned in a more detailed manner about his experience with crowdfunding in an oral interview, including many questions that did not get included in the final questionnaire. This was done in order to determine whether the author should pay attention to any more aspects of crowdfunding experience. The second test-respondent was given the survey form and was asked questions about the clarity of the questions, after he has completed it. After the testing sessions outcomes were analyzed, several changes were made to the survey form.

The questionnaire form consists of nine questions. All the questions are multiple choice questions. Some of the questions allow selecting multiple answer options; others only allow a single answer option. The questions allowing one answer option only do so because choosing one option automatically excludes possibility of other options. The full questionnaire form can be found in Appendix 1.

It was decided to make all the questions in the survey compulsory to answer. Therefore, it is not possible for respondents to skip any questions and yet complete the survey. This was done so by the recommendation of the statistics supervising teacher, justified by the fact that the short continuity of the survey and multiple choice nature of the questions will prevent the respondents from having difficulties with answering any particular questions and, consequently, not completing the entire survey.

The author has determined that the most time-efficient and convenient way of conducting the survey is by sending out online questionnaire. The service chosen for this purpose is Survey Monkey. It has been chosen, because of its user-friendly interface, allowing combining survey forms. In addition to that, the service is free to use and the author had previous experience of working with it. To analyze the received survey responses, SPSS (Statistical Package for the Social Sciences) statistical software was chosen, as it corresponds to the academic standards of the Kajaani University of Applied Sciences. The cause-comparative segment of the research is implemented by calculating Pearson's correlation coefficient.

The survey was distributed through various online channels. To begin with, the survey form was published through the commissioning company's social media channels. However, that method did not appear to be very effective. Further on, the author has continued to distribute the survey form through social media personally. The survey was posted to Twitter, Facebook and Reddit, not only to the author's personal page, but also to community groups dedicated to the research-relative areas: crowdfunding and video games. The method has shown to be effective, bringing more responses than the originally selected method. Furthermore, with the help of KAMO student organization, the survey was sent out to the students of KUAS (Kajaani University of Applied Sciences) through school email. This method appeared to be the most efficient, if considering the amount of responses received through a single channel.

4.4 Results

The final number of responses received for the survey is one hundred. The responses were collected within approximately one-month period of time. Further on, the author will discuss the survey data trends and compare them to the information received from previously conducted surveys on the topic (detailed information on the previous statistics can be found in 2.4 Crowdfunding Customer Statistics). For convenience, the following survey data is presented divided into sub-chapters by each question.

4.4.1 Age

The most common age categories among the crowdfunding audiences (see Appendix 2) are 18-24 and 25-34 years old, comprising 47% and 44% respectively of the total population sample. The given numbers vary dramatically from the previously available statistics, which show that the most numerous age groups are 25-34, 35-44 and 45-54 years old amounting to 25%, 21% and 21% respectively. (Mulholland 2013) According to the author's survey results, 45-54 years old occurs to be the least populous age group, being the only age group with no respondents falling into it at all. The difference can partially be explained by the different nature of target audience of both surveys. The current research was mainly targeted towards the potential customers of the commissioning party, meaning people who have expressed interest in the commissioning party's product and generally people who play video games regularly. The previous research was targeted towards a more general audience of people with experience of supporting crowdfunding campaigns in any area of projects, for various purposes.

4.4.2 Gender

Gender division of the respondents goes as follows: females comprise 22% and males comprise 78% of the total sample (see Appendix 3). The numbers resemble generally the same tendency as found by the previous researches – males do tend to participate in crowdfunding campaigns more often than females. However, in the given research case this can also be explained by the fact that the commissioning party's potential customer base is mostly male, as is gaming audience in general.

4.4.3 Crowdfunding Experience

The general tendencies concerning the frequency of campaign participation is similar to the tendencies in previously available statistics. Significant majority of the respondents has participated in multiple funding campaigns (see Appendix 4). This shows that people generally are willing to participate regularly, on condition that the campaign interests them. This can be partially explained by the funding process at most crowdfunding platforms. The services

normally require funders to setup an account in order to be able to participate. Once an account is set up, the funder would receive regular updates from the service about new projects to fund, thus, being encouraged to participate in more campaigns.

4.4.4 Supporting New Developers

The survey showed that majority of respondents is willing to participate in campaign by developers they have not been familiar with previously (see Appendix 5). This shows that the appeal of idea is more significant to the funders than the developer's name. The result is relatively similar to the data provided by the previously carried out survey, which showed that 80% of the surveyed campaign participants did not know any developers organizing campaigns. The data confirms the efficiency of crowdfunding as a funding method for startup companies, which do not have solid customer base. (Polson 2012)

4.4.5 Discovering a Campaign

This question provided the respondents with multiple options to choose for an answer. Most of the surveyed people have chosen "Social Media (Facebook, Twitter, etc.)" for an answer. The result confirms the statement discussed in chapter 2.5. Online Communities' Role in a Campaign's Success – online communities affect potential for success of a funding campaign. Therefore, it is essential for a campaign-organizing company to have solid social media presence. The second most popular source of information about new campaigns appears to be news websites. See the full question data on the graph in Appendix 6.

However, in the process of collecting the responses, it appeared so that the question was not completely clear to some of the respondents. Five of the respondents who have selected the "Other" option, have specified "Other" as online forums, the Reddit social networking service and YouTube videos, all of which fall into the social media category; simultaneously those respondents did not pick the "Social media" answer option. The author can conclude that some of the respondents were confused by the definition of social media. In the answer option, the given examples of social media were Facebook and Twitter, which are the most widely known examples of social media. However, it would have been more efficient to

include a wider range of examples of social media, e.g. “Social media (e.g. Facebook, online forums)”.

4.4.6 Crowdfunding Service

This question had option of choosing multiple answers as well, for the respondents who have supported multiple campaigns. The responses showed the same tendency as described in previous researches – the most popular platform is Kickstarter. The vast majority stated that they had experience of funding projects on this platform. This can be explained by the fact that the survey was mainly targeted towards gaming audience and, as Kickstarter is positioned as crowdfunding platform for creative projects (Kickstarter’s project categories can be seen on Figure 2) , most of the game projects’ campaigns tend to be funded on this platform. Second most popular platform is Indiegogo, however, only less than third of all respondents have picked the option (see Appendix 7).

4.4.7 Communication with Project Developers

This question was put into place in order to define the most efficient ways of communicating with the funders in order to keep them up to date with the project process and encourage them to spread the word about the project. The respondents were allowed to choose more than one answer option.

The most popular communication channels appeared to be updates by email and the project’s campaign page at the crowdfunding. Possibly, the options were most popular because of their convenience and no involvement required from the funders. However, most of the other options were also moderately popular (see Appendix 8). Nevertheless, the least popular option, chosen only by 10% of all the respondents, is the option “I do not like to have any communication with the developers”. This is a positive tendency, showing that, indeed, funders would like to stay in touch with the project developers. Moreover, several respondents have left comments claiming that they find lack communication with developers discouraging from supporting a project, as it creates an impression that the project creators do not value the funders’ support and do not take the project responsibly.

4.4.8 Spreading the Word about the Project

The majority of the respondents have claimed to have shared information through social media, in private conversations or, often, both. However, 17% of the respondents prefer not to spread the word about the projects they support in any way. This generally corresponds to the data of the research carried out by Gamasutra gaming news portal. The research claimed that approximately 20% of supported projects do not get mentioned to anyone (Polson, 2012). However, the claim that the most popular way of sharing campaign information is through word of mouth did not get confirmed. According to the thesis survey data, the most popular way of sharing the information is through social media. Nevertheless, the percentage difference between the word of mouth and social media sharing is not significant. Also, some of the respondents claimed to have created original content promoting the projects they had supported. For example, some respondents created product demonstrational videos. Overall, the question responses data confirms the efficiency of crowdfunding as promotional tool, as many funders do spread the word around about the projects. See full results in Appendix 9.

4.4.9 Factors Influencing Negative Funding Decision

The two most popular turn-off factors have appeared to be “Lack of trust in the developers” and “Unreasonable goals set by developers”. Each of the factors influenced almost half of all the respondents. While some of the respondents find unreasonable goals the reason of mistrust in the developers, for some of the respondents the factors represent different meaning. For example, according to one of the respondents’ comment, she was interested in the project and confident in the skills of the project’s developers, however, she found the way the creators were promoting the project alienating. She felt that excessively active advertising was intrusive.

The question results also demonstrate the fact that for majority of project funders the rewards are not the priority factor in funding decision. Dissatisfaction with pricing of rewards is only the third most popular out of the four provided options. However, according to some respondents’ comments, rewards’ pricing often appears problematic because of the funders’ personal financial situation and inability to afford the rewards. Dissatisfaction with

rewards' content is a significant factor for only approximately one fifth of all the respondents. Therefore, the data proves the statement by Gerber, Hui & Kuo (2012) that the primary motivation factors for project funders are the pursuit of belonging and expressing one's self through supporting projects with ideas one relates to. See full results in Appendix 10.

4.4.10 Gender and Crowdfunding Risk-Taking

It was attempted to see if there is a correlation between the respondents' gender and their willingness to support project developers previously unfamiliar to them, in order to determine which gender representatives will be more suited to promote a startup company campaign to. The result values for questions about gender and about the experience of supporting unfamiliar developers were compared. Pearson's correlation coefficient for the two variables was determined to be $-.054$. Therefore, no clear dependency between the two variables exists (see Appendix 11). It can be concluded that the willingness to take the risk of supporting a startup company project is not influenced by the investors' gender. The results contradict the data claiming that males tend to be more risk-taking and willing to support new developers. (oBizMedia 2013) However, the difference may be explained by the differences in the sample population. As this thesis' research sample is fairly limited, the results should be interpreted with caution.

4.4.11 Gender and Promoting Supported Projects

The variables of contributors' gender and the preferred way of spreading information about supported projects was tested for dependency in order to determine whether women can be more active promoters for campaigns they support. The assumption is based upon the fact that generally, women tend to be more active in social media, comprising the majority of social networks' users. (Nielsen Media Research 2011)

Respondents' gender was compared to the ways they have claimed to use to spread the word of mouth about the campaigns they have participated in. Pearson's correlation coefficient was found to be $-.090$ (see Appendix 12). Therefore, no dependency was observed. Gender does not influence funders' willingness to promote the projects and the ways they choose to

do so. However, the results cannot be considered reliable, as they are limited by the research population sample. Unfortunately, no previous researches on the subject were found in order to support the statement.

5 CONCLUSIONS AND RECOMMENDATIONS

The initial goal of the research was to find out by what means are customer engagement principals are and can be used for boosting a crowdfunding campaign's potential for success, as well as determining whether a potential for marketing benefits out of a campaign exists at all. The results of the carried out customer survey have shown that a crowdfunding campaign can be an efficient marketing and engagement platform for startup companies. Not only funders are willing to support projects of unfamiliar brands, they are also, in most cases, are willing to promote the projects they support to other potential funders. On condition that the product idea is appealing and the campaign is carried out appropriately, a new company can acquire necessarily customer base and funding.

Given demographical statistics on gender and age, we can conclude that the target audience for the campaign should be males of 18-34 years old. The information can be used in marketing practices, such as targeted advertising in social networks (e.g. Facebook). However, social media usage should not be limited to simply targeted advertising, but also should be utilized actively for communication with the consumers. The majority of respondents stated that they find out about crowdfunding campaigns through social media. Therefore, the company's pages on all the social media channels should be thoroughly and regularly updated on the news of the preparation, launch and process, thus, increasing the chance of potential funders discovering the campaign. Moreover, social media presence is necessary to keep in touch with the contributors after they pledge the funds. Also, relevant news websites should be contacted and informed about the campaign launch on time. Furthermore, the updates should be published on the company's website and on the project page at the crowdfunding service website. The updates should be frequent and regular, as lack of updates discourages potential funders from participating. However, too frequent updates are also not recommended, as potential customers can find that intrusive (e.g. daily updates are not recommended). In addition, choosing community manager should be done with caution, making sure that the manager's personal views do not overshadow the project's values.

It is strongly advised for the commissioning party to set up the campaigns on Kickstarter, as vast majority of the respondents stated funding projects using Kickstarter, not any other crowdfunding service.

It is recommended to conduct further research in order to determine the most stimulating types of rewards for the contributors. Even though the rewards selection was shown to be a less significant factor when making a funding decision, it can still be stimulating for potential contributors. The given research was focused on customer communication, therefore, it did not study the reward-based stimulation. In addition to that, it is also recommended to re-search the potential of involving customers by allowing them to have minor impact on the product.

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THE ONLINE SURVEY FORM

Crowdfunding Customer Engagement

Hello!

The aim of this survey is to research the customer experience of crowdfunding - large amounts of people making small money contributions online in order to fund a certain project. If you have ever given your support to a project on Kickstarter, Indiegogo or any other online crowdfunding service, your experience is extremely valuable!

1. What is your age?

- under 18
- 18 to 24
- 25 to 34
- 35 to 44
- 45 to 54
- over 55

2. What is your gender?

- Female
- Male

3. Have you participated in more than one crowdfunding campaign?

- Yes
- No, I have only participated in one campaign

4. Have you participated in any crowdfunding campaigns by creators previously unfamiliar to you?

- Yes
- No

5. How did you find out about the campaign/campaigns you participated in? (Choose one or multiple options)

- Social Media (Facebook, Twitter, etc.)

- News sites
- Developer's website
- Found the campaign at the crowdfunding website
- Through a friend
- Other

If other, specify:

6. Which crowdfunding service have you used? (Choose one or multiple options)

- Kickstarter
- Indiegogo
- Other

If other, specify:

7. What is your preferred way of communication with the project developers after making the pledge (either from the ones you have experienced or from those you have wished to have, but were not offered)? (Choose one or multiple options)

- I do not like to have any communication with the developers
- Email
- Forums
- Social media (Facebook, Twitter, etc.)
- Developers website
- Project's page at the crowdfunding service website
- Polls
- Other

If other, specify:

8. After pledging funds to a project, did you spread the word about the project? If yes, how? (Choose one)

- No, I did not tell anyone about the project
- Yes, I shared information about it through social media
- Yes, I shared information about it in a private conversation
- Yes, I shared information about it both in private conversation and in social media
- Other
- Yes, I shared information by all the means listed above

If other, specify:

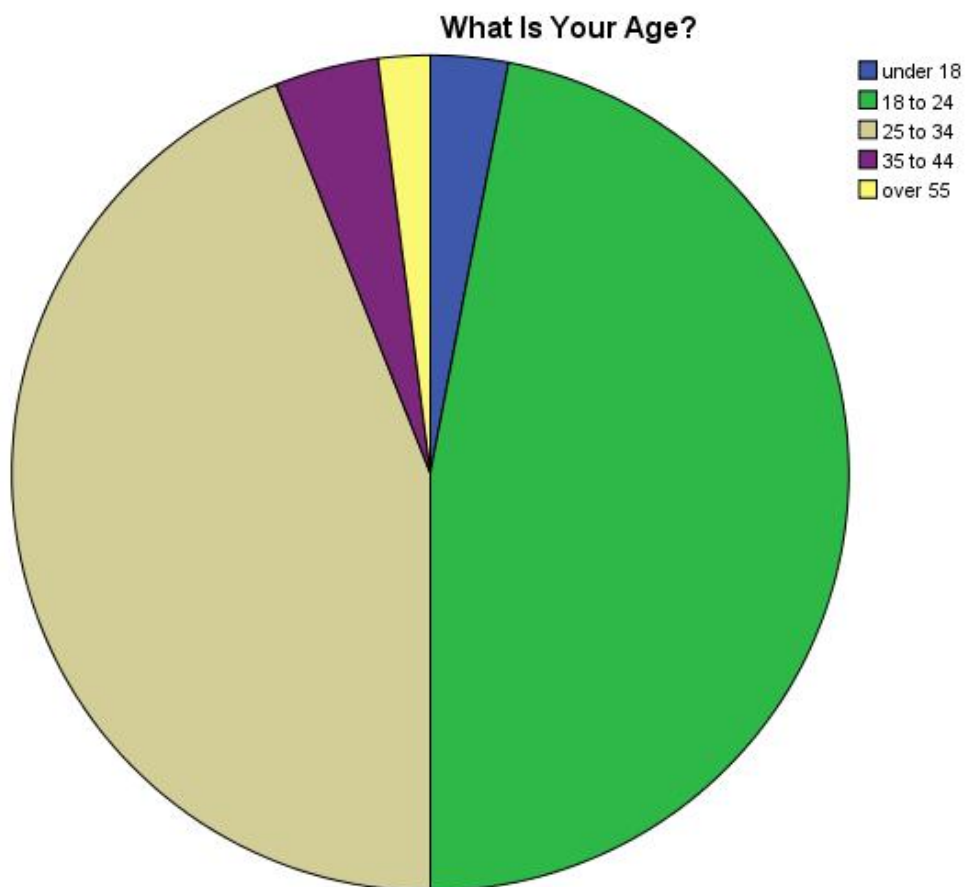
9. Has there been a project that you have considered to fund because of the project idea, but changed your mind because of the way the campaign was arranged? What turned you off? (If yes, choose one or multiple options)

- No, I always supported the project, if I liked the idea
- Unreasonable goals set by the developers
- Lack of trust in the developers
- Did not like the pricing of rewards
- I did not like the rewards
- Other

If other, specify:

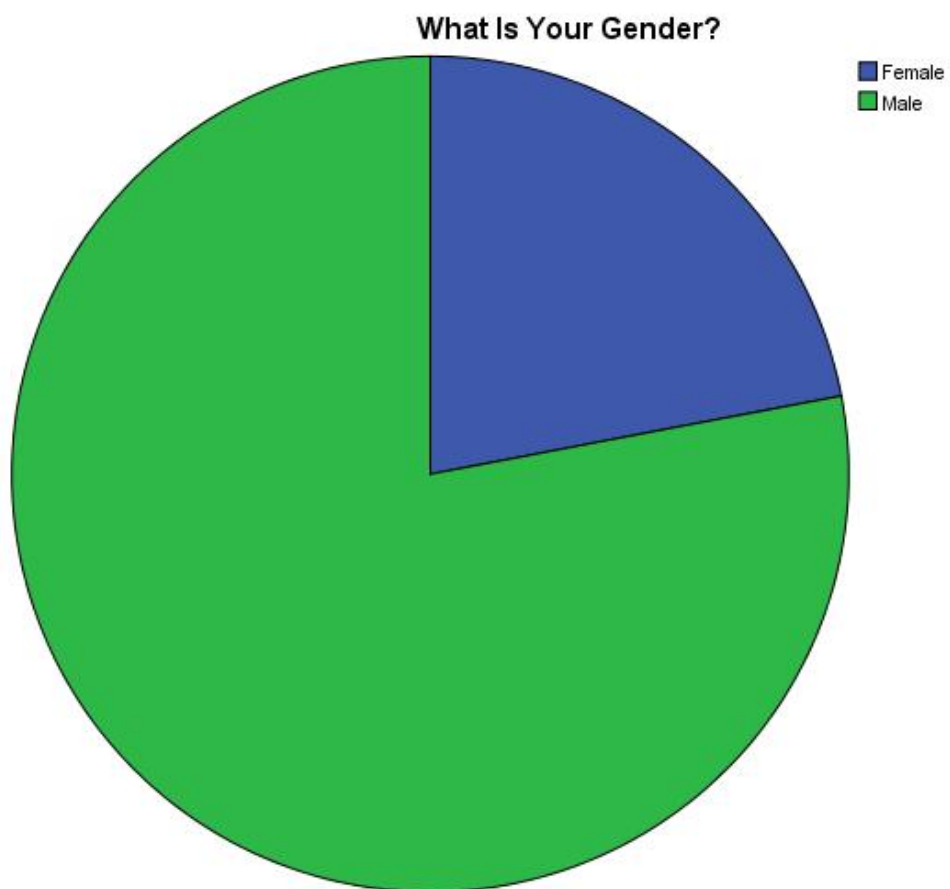
QUESTION 1: WHAT IS YOUR AGE?

		What Is Your Age?			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	under 18	3	3,0	3,0	3,0
	18 to 24	47	47,0	47,0	50,0
	25 to 34	44	44,0	44,0	94,0
	35 to 44	4	4,0	4,0	98,0
	over 55	2	2,0	2,0	100,0
	Total	100	100,0	100,0	



QUESTION 2: WHAT IS YOUR GENDER?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	22	22,0	22,0	22,0
	Male	78	78,0	78,0	100,0
	Total	100	100,0	100,0	

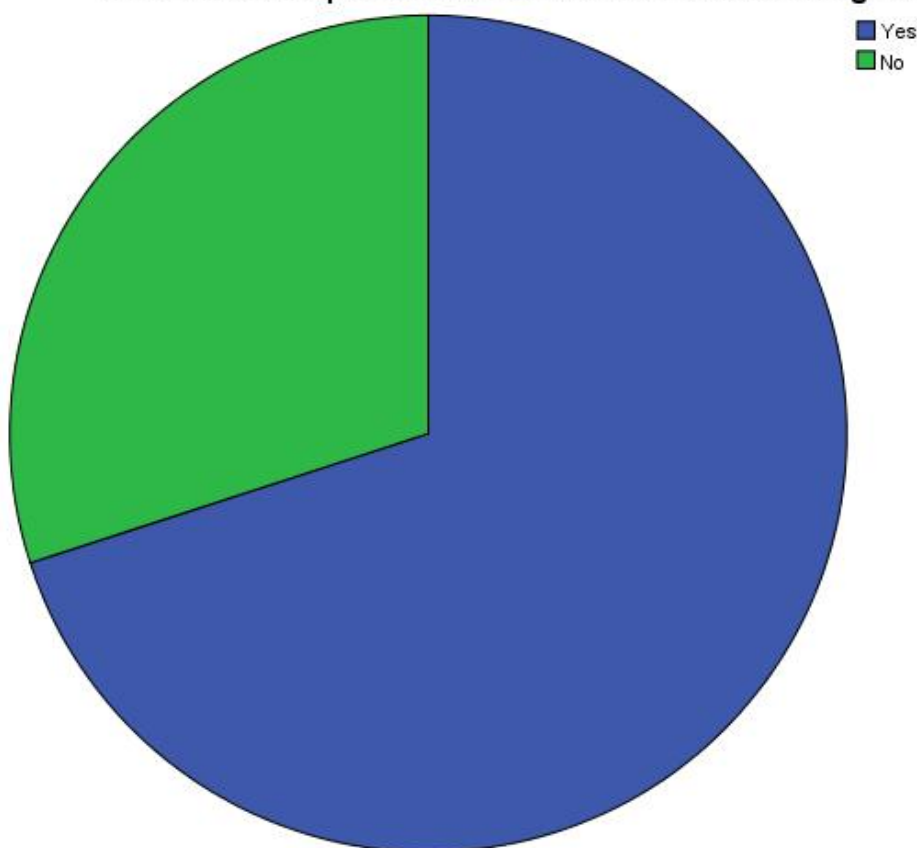


QUESTION 3: HAVE YOU PARTICIPATED IN MORE THAN ONE CROWD-FUNDING CAMPAIGN?

Have You Participated In More Than One Crowdfunding Campaign?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	70	70,0	70,0	70,0
	No	30	30,0	30,0	100,0
	Total	100	100,0	100,0	

Have You Participated In More Than One Crowdfunding Campaign?

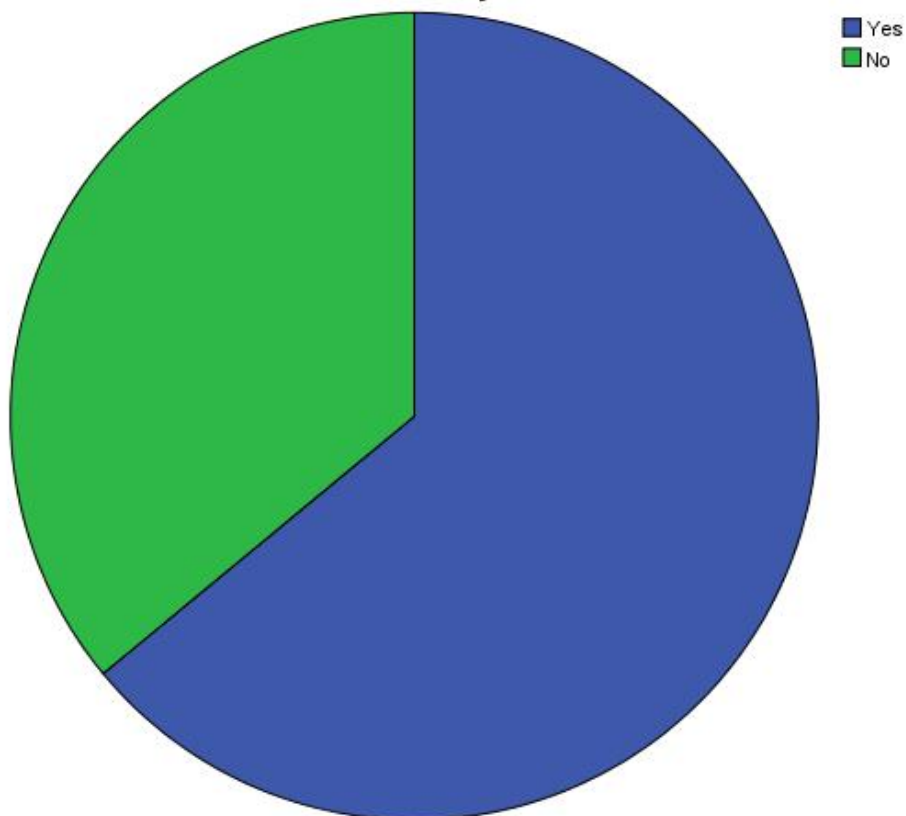


QUESTION 4: HAVE YOU PARTICIPATED IN ANY CORWDFUNDING CAMPAIGNS BY CREATORS PREVIOUSLY UNFAMILIAR TO YOU?

Have You Participated In Any Crowdfunding Campaigns by Developers Previously Unfamiliar to You?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	64	64,0	64,0	64,0
	No	36	36,0	36,0	100,0
Total		100	100,0	100,0	

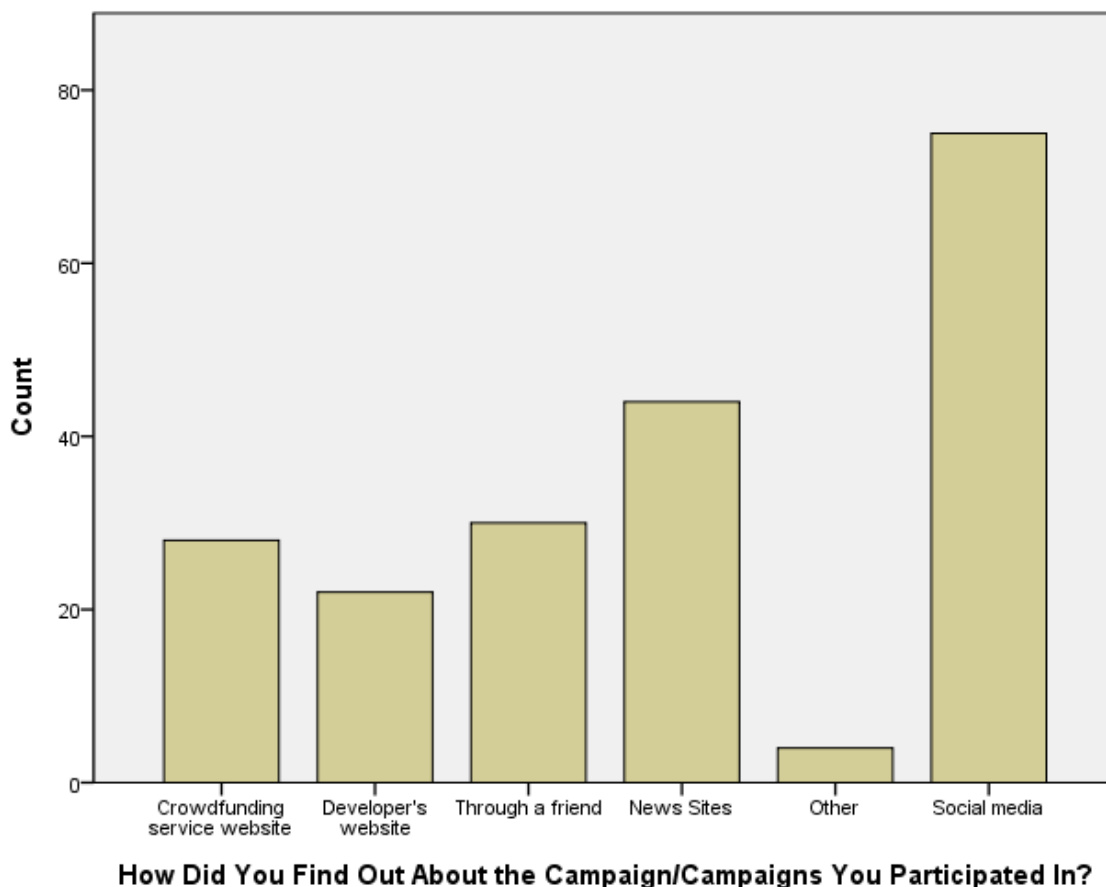
Have You Participated In Any Crowdfunding Campaigns by Developers Previously Unfamiliar to You?



QUESTION 5: HOW DID YOU FIND OUT ABOUT THE CAMPAIGN/CAMPAIGNS YOU PARTICIPATED IN? (CHOOSE ONE OR MULTIPLE OPTIONS)

Frequencies

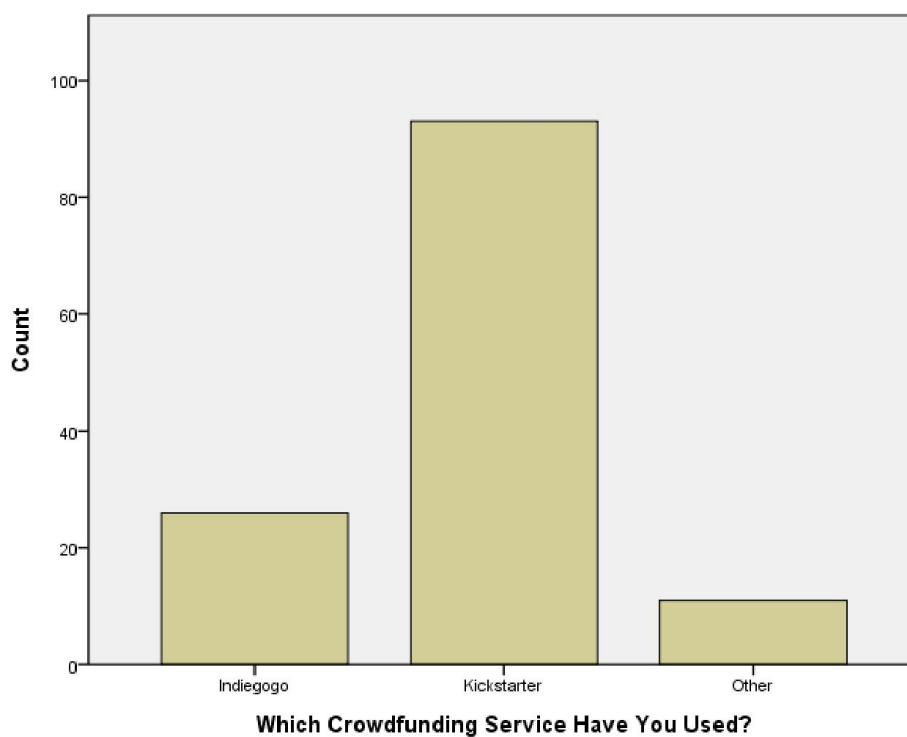
		Responses		Percent of Cases
		N	Percent	
How Did You Discover the Campaigns?	Social media	75	36,9%	75,0%
	News Sites	44	21,7%	44,0%
	Developer's website	22	10,8%	22,0%
	Crowdfunding service website	28	13,8%	28,0%
	Through a friend	30	14,8%	30,0%
	Other	4	2,0%	4,0%
Total		203	100,0%	203,0%



QUESTION 6: WHICH CROWDFUNDING SERVICE HAVE YOU USED?
(CHOOSE ONE OR MULTIPLE OPTIONS)

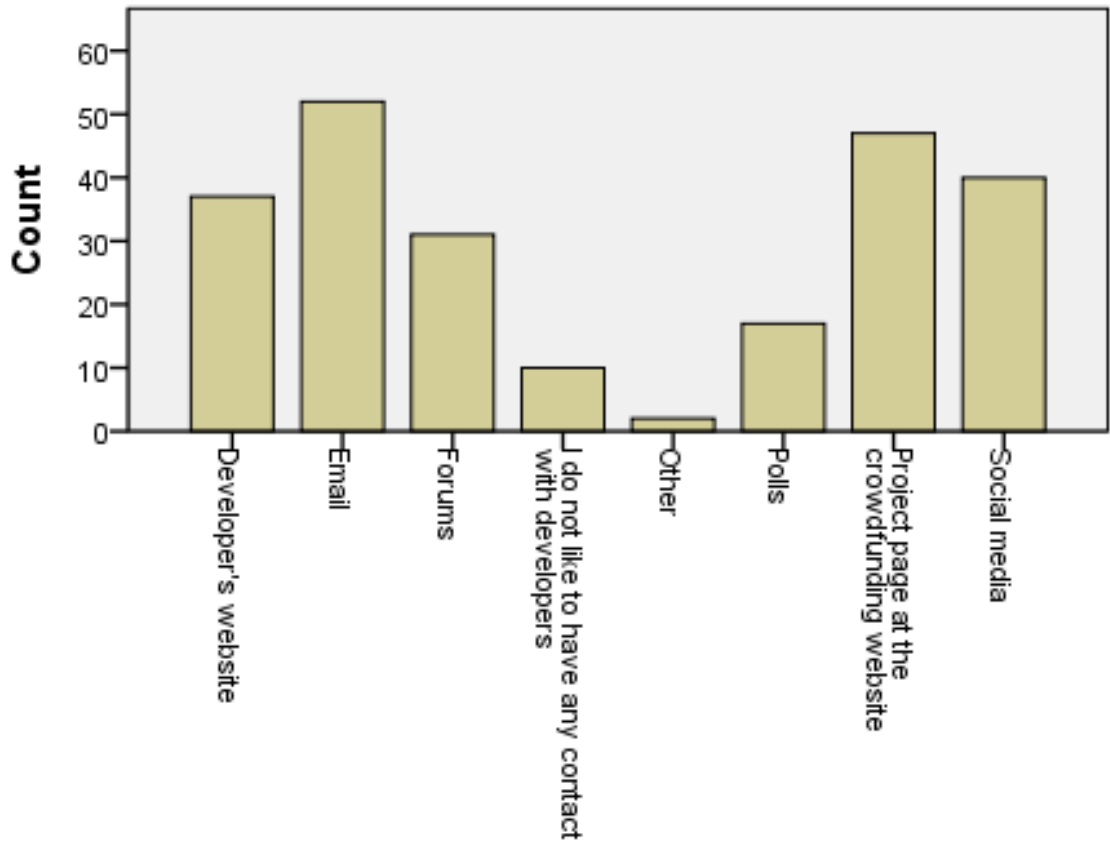
Frequencies

	Responses		Percent of Cases	
	N	Percent		
What Crowdfunding Service Have You Used?	Kickstarter	93	71,5%	93,0%
	Indiegogo	26	20,0%	26,0%
	Other	11	8,5%	11,0%
Total		130	100,0%	130,0%



QUESTION 7: WHAT IS YOUR PREFERRED WAY OF COMMUNICATION WITH THE PROJECT DEVELOPERS AFTER MAKING THE PLEDGE? (CHOOSE ONE OR MULTIPLE OPTIONS)

		Responses		Percent of Cases
		N	Percent	
Communication with Developers	I do not like to have any contact with developers	10	4,2%	10,0%
	Email	52	22,0%	52,0%
	Forums	31	13,1%	31,0%
	Social media	40	16,9%	40,0%
	Developer's website	37	15,7%	37,0%
	Project page at the crowd-funding website	47	19,9%	47,0%
	Polls	17	7,2%	17,0%
	Other	2	,8%	2,0%
Total		236	100,0%	236,0%

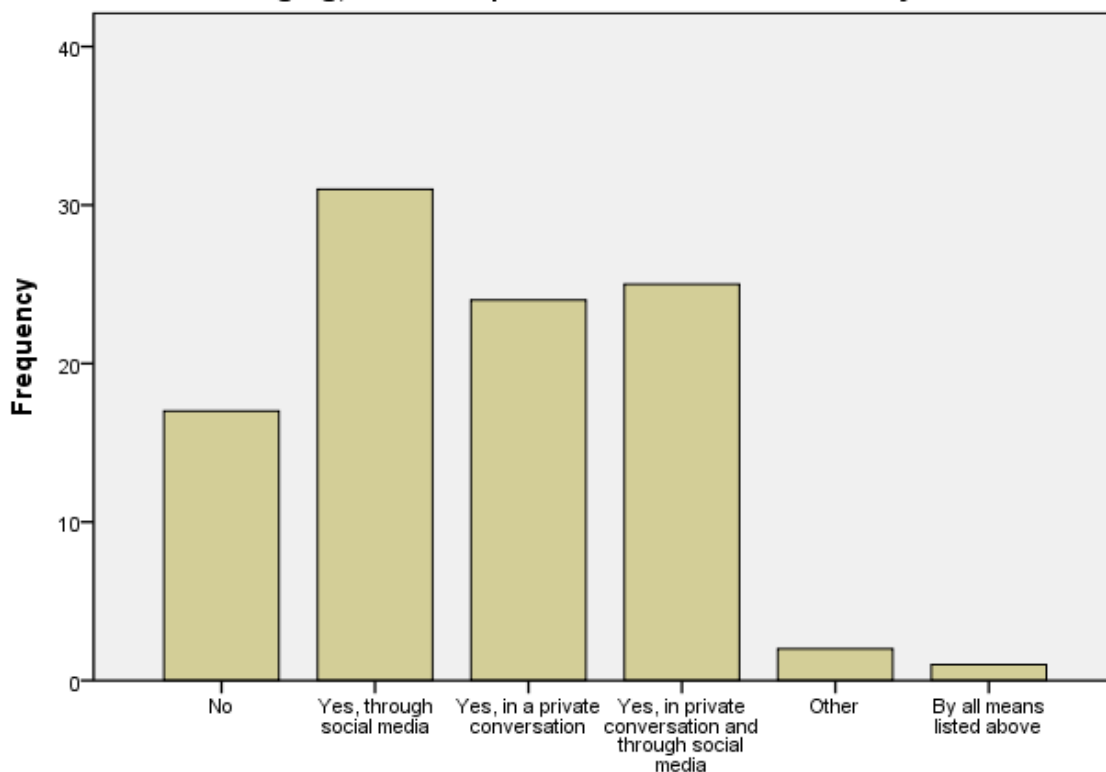


QUESTION 8: AFTER PLEDGING FUNDS TO A PROJECT, DID YOU SPREAD THE WORD ABOUT IT? IF YES, HOW?

After Pledging, Did You Spread the Word about the Project?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid No	17	17,0	17,0	17,0
Yes, through social media	31	31,0	31,0	48,0
Yes, in a private conversation	24	24,0	24,0	72,0
Yes, in private conversation and through social media	25	25,0	25,0	97,0
Other	2	2,0	2,0	99,0
By all means listed above	1	1,0	1,0	100,0
Total	100	100,0	100,0	

After Pledging, Did You Spread the Word about the Project?

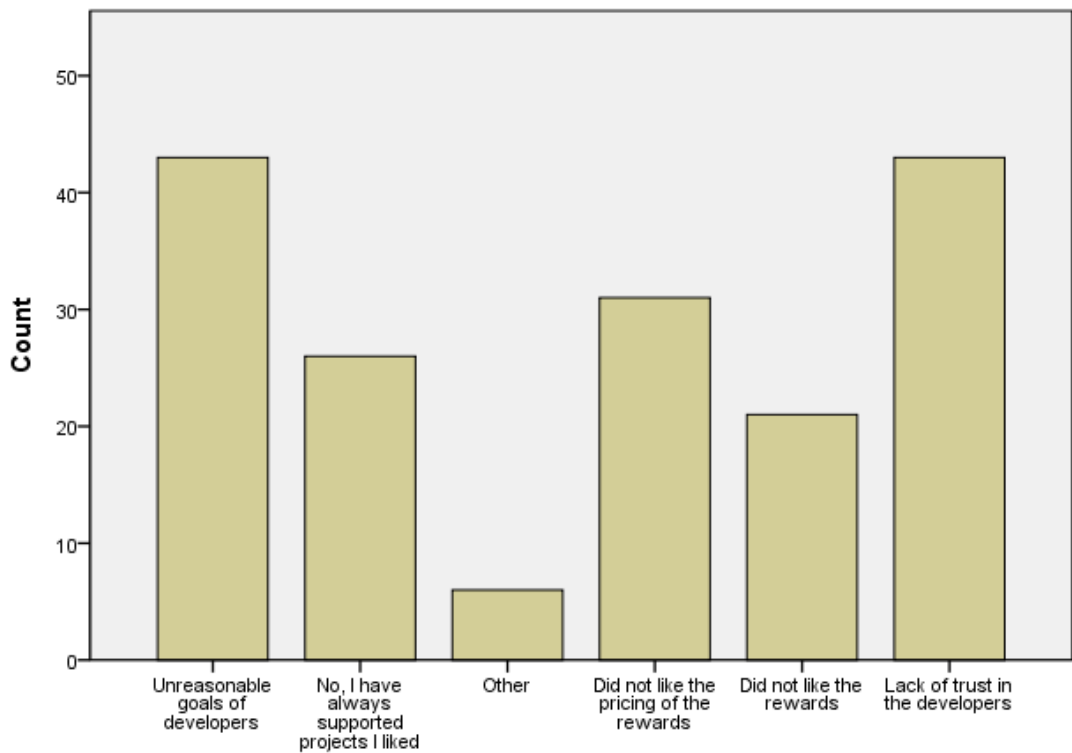


After Pledging, Did You Spread the Word about the Project?

QUESTION 9: HAS THERE BEEN A PROJECT THAT YOU HAVE CONSIDERED TU FUND BECAUSE OF THE PROJECT IDEA, BUT CHANGED YOUR MIND BECAUSE OF THE WAY THE CAMPAIGN WAS ARRANGED? WHAT TURNED YOU OFF? (CHOOSE ONE OR MULTIPLE OPTIONS)

Frequencies

		Responses		Percent of Cases
		N	Percent	
What Turns You Off a Campaign?	No, I have always supported projects I liked	26	15,3%	26,0%
	Unreasonable goals of developers	43	25,3%	43,0%
	Lack of trust in the developers	43	25,3%	43,0%
	Did not like the pricing of the rewards	31	18,2%	31,0%
	Did not like the rewards	21	12,4%	21,0%
	Other	6	3,5%	6,0%
Total		170	100,0%	170,0%



Has there been a project that you have considered to fund because of the project idea, but changed your mind because of the way the campaign was arranged? What turned you off?

DEPENDENCY BETWEEN FUNDERS' GENDER AND CROWDFUNDING RISK-TAKING

Correlations

		What Is Your Gender?	Have You Participated In Any Crowdfunding Campaigns by Developers Previously Unfamiliar to You?
What Is Your Gender?	Pearson Correlation	1	-,054
	Sig. (2-tailed)		,591
	N	100	100
Have You Participated In Any Crowdfunding Campaigns by Developers Previously Unfamiliar to You?	Pearson Correlation	-,054	1
	Sig. (2-tailed)	,591	
	N	100	100

DEPENDENCY BETWEEN GENDER AND PREFERRED WAYS OF SPREAD THE INFORMATION ABOUT A SUPPORTED PROJECT

Correlations

		What Is Your Gender?	After Pledging, Did You Spread the Word about the Project?
What Is Your Gender?	Pearson Correlation	1	-,090
	Sig. (2-tailed)		,372
	N	100	100
After Pledging, Did You Spread the Word about the Project?	Pearson Correlation	-,090	1
	Sig. (2-tailed)	,372	
	N	100	100

