Online Crowdfunding Campaign for an Independent Video Game

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Abstract

Over the past several years online reward-model crowdfunding platforms have become a popular tool for raising funds among independent game developers. Big success of several brilliant indie titles brought to the online crowdfunding platforms Kickstarter and Indiegogo hundreds of hopeful independent developers. However, apart from creating an excellent game indie developers have to be able to reach out to their audience and capture attention of potential supporters and gaming media. Time and effort put into marketing a campaign and building up a community around the project is crucial for the success of a crowdfunding campaign.

This thesis offers an overview of an execution of a crowdfunding campaign for an independent game Windlands created specifically for a virtual reality headset Oculus Rift. Windlands crowdfunding campaign was launched on Indiegogo September 15th, 2014 and successfully ended October 31st, 2014. This work covers the basics of preparation and running of a crowdfunding campaign for an indie game and describes the stages of Windlands campaign with a focus on marketing activities and the campaign reward structure design. The objective of the thesis is to define key success factors and challenges of a crowdfunding campaign for an independent video game analysing the experience of Windlands Indiegogo campaign.

This is a procedural thesis that relies on the data received from the Windlands Indiegogo crowdfunding campaign, information gathered using qualitative and quantitative research into several similar crowdfunding game projects on Indiegogo and Kickstarter and analysis of information available in printing and online on crowdfunding best practices. Hopefully, this work will be interesting and useful for those who are considering a crowdfunding campaign of their own.

Keywords

indie video games, crowdfunding campaign, Indiegogo, Kickstarter, marketing, reward structure, Oculus Rift, virtual reality games
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1 Introduction

This thesis is based on the work done to prepare and conduct a crowdfunding campaign for an indie game for Oculus Rift. All the stages of work on the campaign will be looked into and analyzed here to account for the decisions made during the project. There were several reasons for undertaking the project as a thesis work. First of all the subject is exciting and deals with the most recent innovations in the gaming industry. Secondly, practical nature of the project gave me a chance to apply in practice and deepen the knowledge received during my studies. Last but not least was the fact that I was personally interested and very much invested in the campaign since it was commissioned by a company owner I am related to.

This thesis is an account of the work done as well as a research into crowdfunding specifics for independent game developers.

1.1 Objectives and limitations

The objective of this thesis is to give a careful account of the crowdfunding campaign process from the marketing point of view, analyze it along the way, and assess the results of the project. In the conclusion following the analysis of the campaign some tips and guidelines will be summarized for anyone who is interested in undertaking a similar campaign.

The scope of the thesis will be limited to the three phases of conducting a reward-based crowdfunding campaign because of the time of the writing coincides with the campaign timeframe. The post-completion phase will be looked into briefly and only an outline of it will be given for Windlands campaign.

1.2 Commissioning party background

This project was a part of a game development process in an independent game development studio, Cyber Fox Games. The company is a small two men studio based in Helsinki and currently working on their first title, Windlands. The developers are producing a game for Oculus Rift, virtual reality 3D headset for gaming.

Oculus Rift is a set of virtual-reality goggles that works with your computer or mobile device and “lets players step inside their favorite games and virtual worlds” (Oculus VR 2014). The result is the sensation that you are looking around a 3D world that feels very real.
This is one of these inventions that are called gamechangers and it will change the way people interact with the world in many other areas other than just gaming. Although initially designed for gaming experience, Oculus Rift has already been put to use in medicine and education.

The consumer version of Oculus Rift hasn’t been announce yet, but rumor has it will be released sometime in 2015. Oculus VR, the company developing the device, released two Oculus Rift Developer Kits, the tools for game and application developers to create games and experiences for the device. Independent game and software developers have a great advantage here over industry giants who have to wait until the Oculus VR releases consumer version and the market will be big enough.

Although in perspective the target audience for virtual reality games is immense, now it is a community of strongly driven virtual reality hard-core enthusiasts both developers and gamers. And this is the audience we sought to engage with the Windlands crowdfunding campaign.

Windlands is an action adventure game produced specifically for Oculus Rift. It takes advantage of the Oculus Rift technology to make players feel like a superhero as they make huge jumps, swing in the air by the grappling hook and walk along narrow ledges. The game had been in production for about six months when the developers decided to raise the necessary funds to complete that game through the crowdfunding platform Indiegogo. Apart from the obvious goal of raising funds they undertook the campaign to raise awareness about the game and estimate the current audience for the game.

1.3 Research methods and key resources

This thesis is based on practical experience of an actually executed crowdfunding campaign and can serve as an example and guideline for independent game developers. Both qualitative and quantitative research methods were used during the preparation stage of the campaign and in the follow up stage of the campaign.

The zipper model will be used in this work to explain relevant theories. There will be however a short independent theoretical part explaining the importance of crowdsourcing for independent game developers and stages of a crowdfunding campaign.

Most of the key sources used in the thesis are online sources. The nature of the research is such that is demands the most recent and updated information.
Another big source of information was crowdfunding platforms, each of which has its own
guidebook, blog and statistics. Another yet essential source was crowdfunding campaigns
themselves. To pull together a good campaign, I had to go through and analyze several
different crowdfunding projects similar to Windlands both successful and unsuccessful.
The scope of the campaigns analyzed was limited to games created by independent stu-
dios, games developed specifically for Oculus Rift and games with support for Oculus Rift.
Quantitative analysis was used to draw conclusion on the amount of backers Windlands
campaign might expect to receive, on the content, and price of perks.
2 Crowdfunding for independent game developers

Crowdfunding is the process of obtaining funds from the general public to fund projects or businesses (Young, T.E. 2013, 13). It is regarded as a major change in the way entrepreneurial projects are financed today.

Online crowdfunding platforms have proven to be a very popular means of raising funds for game production for independent game developers. Independent games or indie games have grown very popular in the past years. Indie games are video and mobile games developed by a small team or individuals without the financial backing of a publisher (Furlough, D. 2013). The success of such indie games as Minecraft, Braid, Super Meat Boy and Broken Age proved that independent game developers don’t have to sell their intellectual property to publishers but can directly ask their fans and community for funds to produce games.

Online crowdfunding platforms have proven to be very popular means of raising funds for independent game project. The success of Kickstarter and Indiegogo platforms is based on a very simple principle: if you make something people need, they will put their money in it. Crowdfunding platforms like Kickstarter and Indiegogo let the potential customers decide the future of the project and allow indie teams to see if they should continue developing the title or not (Furlough, D. 2013).

Crowdfunding redefines how independent developers build relationship and communicate with their fans and customers. It allows developers to give to their supporters not only a game but the acknowledgement of their contribution in co-creating the project. A successful crowdfunding campaign helps build relationship with a large number of fans. For example, one of the most successful video games ever funded on Kickstarter, Broken Age by Double Fine Adventure, amassed an army of 87,142 backers, i.e. supporters who contributed to the campaign by giving certain amount of money in return for a tangible or intangible reward. Technolust, a cyberpunk adventure game for Oculus Rift, received funds from 1,489 early adopters of the Oculus technology. Ten years ago reaching out and communicating to all these people meant paying huge amount of money to a marketing company (Hiscott, R. 2014).

Running a successful crowdfunding campaign for an independent developer with a solid well done creative product allows them to build a reputation and build a community of fans and ambassadors.
However, these days an indie game crowdfunding campaign is not an easy undertaking. The number of independently developed video games seeking funds on crowdfunding platforms has risen rapidly since the success of Broken Age by Double Fine Adventure. According to Jason Della Rocca, a former executive director of the International Game Developers' Association “the market is saturated with self-published games and Kickstarter campaigns hoping to launch the next big thing, it's not always easy to drive downloads, let alone funds” (Hiscott, R. 2014). At this point game discoverability is essential. And that means that the vital part of running a crowdfunding campaign no matter on which platform is well-planned marketing activities.

2.1 Online reward-based crowdfunding platforms

Crowdfunding platforms focus on one of the four main models: donation-, rewards-, lending-, or equity-based crowdfunding. As the crowdfunding industry has been developing rapidly there have been separation into vertical and niche platforms. Today one can find crowdfunding platforms for a wide range of versatile projects targeting specific industries such as real estate, travel, solar and green energy, education, and many others (Dresner, S. 2014, 49).

There are a lot of different reward-based crowdfunding platforms, the most well-known being Kickstarter and Indiegogo, but all of them basically operate in a similar way. Supporters, or, as they are often called, backers, are encouraged to contribute to a project, cause or product by paying a certain amount of money for a reward or a perk. The range of rewards is really very wide depending on the nature of the campaign: from a simple thank you message to the right to co-design a product or game level and personal meeting with the campaign owners. The reward structure of a crowdfunding campaign may consist of several levels, or tiers, depending on reward pricing: from lower tiers with simple rewards (e.g. a copy of a game, a poster) to the highest pricing tiers that offer special events (e.g. exclusive party, private concert) or grant backers special rights (e.g. co-designing a game level).

Campaign owners themselves choose the time frame to raise the necessary funds. Campaigns on both Indiegogo and Kickstarter run maximum for the 60 days. However most of the campaigns have an average deadline of 47 days on Indiegogo and Kickstarter recommends limiting the campaign length to 30 or less days (Strickler, Y. 2011).

Both Kickstarter and Indiegogo have acknowledged 30% rule: receiving 30% of the funding goal early will push toward collecting the remaining 70% by the end of the campaign.
The explanation of the rule is that usually around 30% of the funds of a well-structured campaign with a realistic goal is committed by known individuals or the community built up before the campaign. Reaching 20%-30% of the funding goal catches the attention of potential backers creating a herd mentality and improving chances to success (Dresner, S. 2014, 50). Backers want to be a part of a project that is highly likely to succeed, not the one that is going to fail.

Kickstarter and Indiegogo are the market leaders in reward-based crowdfunding. For Windlands developers had to make the choice between these two. The first major differences between them are the geographical scope, the funding options they offer and the ways backer can make contribution payments. Kickstarter has geographical restrictions while Indiegogo is open to anyone as long as they have a verified PayPal account. Kickstarter offers only “all-or-nothing” campaigns. Campaign owners receive funds only if the announced funding goal is reached. Indiegogo along with the “all-or-nothing” option allows for “flexible funding”, i.e. the campaign owner keeps the funds even in case the project didn’t hit the funding goal (Dresner, S. 2014).

Most independent game developers have to make a choice between these two platforms keeping in mind pros and cons of each platform.

### 2.2 Finnish law regulations regarding crowdfunding

The use of Reward Model Crowdfunding in Finland is not possible in the same form as in other European countries. Fundraising legislation in Finland states that donations can only be collected by organizations working in the public interest. According to the Finnish Fundraising Act in order to raise funds without compensation a company has to be licensed by authorities. Individual person cannot be granted such a fundraising permit. "The fundraising permit may only be issued for associations or foundations registered in Finland and whose sole purpose is to work for public good" (Review of Crowdfunding Regulation 2013).

Although the number of crowdfunding projects in Finland continues to grow steadily, the obstacle seems to be the National Police Board’s interpretation of the Fundraising Act. "For this reason, foreign methods of conducting Crowdfunding projects cannot be directly copied in Finland" (Review of Crowdfunding Regulation 2013).

Antti Hemmilä, a legal advisor from Attorneys at Law Borenius, in his article Legal Challenges Related To Crowdfunding says that in order to run a reward-based crowdfunding
campaign legally in Finland as an individual, one has to “design it as a pre-order scheme for physical or digital products and be very specific about the nature of the project” (Hellmälä, A. 2012).

In practice it means that a crowdfunding campaign owner should provide compensation to all the contributors of funds and avoid using words like donation, promotion and funding. This way it should be interpreted by the Finnish legal authorities as a sale of goods or services and will be safely out of the scope of the Finnish Fundraising Regulation.

Since the donation element must be completely eliminated from a crowdfunding campaign, such popular low level reward as a thank you email (see example in figure 1) cannot be offered by a Finland based campaign owner.

Figure 1. Pledge example from Kickstarter campaign for the game Obey (Indiegogo, 2014)

When creating reward tiers for Windlands crowdfunding campaign, we were very careful with wording and tried to make it clear that all the backers will receive a compensation in the form of a digital product (the game, a digital poster, a sound track), tangible object (a plushy) or service (early access to the game content).
We also took into account and implemented the experience of Finnish independent game developers Alpo Oksaharju and Mikko Kallinen from Theory Interactive Ltd. Their sci-fi first person puzzle game was successfully funded on Indiegogo in December, 2013, raising over €71,000. On the campaign page they put up the following notice:

“Finnish law does not allow companies to accept donations without compensation. Therefore we cannot accept contributions without perks. If you want to contribute, please select a perk. Thank you!” (Kallinen & Oksaharju 2013).

Windlands indiegogo campaign page had a similar notice in order to make impossible any misinterpretation by Finnish police.

2.3 Crowdfunding campaign execution

Internet is full of articles and guides made by both successfully crowdfunded indie developers, accounts of failed campaigns and interviews with indies at prominent gaming websites. By going through a large number of them and doing our own research on crowdfunded independent games, we were able to put together and prepare our own campaign. This chapter provides an outline of stages of executing a campaign and marketing phases of a well-planned campaign timeline.

2.3.1 Preparation for the campaign

The first phase of a crowdfunding campaign starts well before the actual launch and is crucial for the success of the project. It should start as early as 3 months before the launch (Jonassen, E. 2012a). At this stage the developer’s objective is to build an engaged fanbase that will help spread the word and push the campaign once it starts. Building the community that will support the campaign when it launches happens through the online presence of the developers and the way they communicate with fans online.

Marketing guides for indies advise that an independent game development team should have before the campaign:

- a company website and a landing page for the game, so that gamers could identify the developers both by the brand name and product. ”Your website is your voice, your sales tool, your face to the world.” (Jonassen, E. 2012b)
− a development blog incorporated into the main website that allows fans follow the
game production process. This is also means of direct communication with follow-
ers and a way for developers to be more open and get more personal with the
fans.

− a Facebook page to display media, concept art, news, development stories and to
connect to fellow-developers and communities. Twitter is a great way to announce
news really fast especially if a developer works on growing his followers and is
himself an active follower.

− a trailer and a playable demo. A short and well-made video will always have ad-
vantage over a text on the main webpage page. “The single best way to entice
gamers is through filming a captivating trailer” (DellaFave, R. 2013b). The demo is
supposed to give a taste of the game and leave gamers hungry for more.

Several weeks before the launch starts the Tease stage of the campaign. A developer
announces when the campaign is launching to his fanbase, media and key influencers
(Jonassen, E. 2012a). To contact the press a developer has to have ready a press kit and
a mailing list of relevant media, websites, blogs and game journalists. To put a press kit
together there is an excellent free resource for indie developers - presskit() .

Setting up your website as a central hub and driving traffic to it through social media and
press coverage and forums will prepare a successful campaign launch.

2.3.2 Pre-launch planning

Crafting the campaign proper is a part that takes place before the campaign launches. “A
good Kickstarter campaign has a great video, great pictures and illustrations, great text
and awesome pledge alternatives. You are selling your idea and your dream, and you
need to convey it to your viewers in the best way possible.” (Junkkila, A. 2014)

This is when a lot of important decisions are made about the funding goal, campaign ob-
jectives, reward prices and campaign marketing activities. Based on the Ultimate Kick-
starter and Greenlight Guide by Aksel Junkkila (Junkkila, A. 2014) and the general sug-
gestions made by the author of Crowdfunding Bible, Scott Steinberg, (Steinberg, S. 2012)
we compiled the following set of guidelines for this stage:

− Doing a research into other similar crowdfunding campaigns in our case indie
video games and VR games for Oculus Rift. Analyzing their strong and weak
Setting the campaign objectives. Apart from the obvious goal of raising funds, a crowdfunding campaign is unique way of raising awareness about the game and testing the outreach of the appeal of the game (how many people are interested and would support the game, is the production worth it).

Preparing campaign assets and supporting material in advance to illustrate to the backers what the campaign idea is all about. For an indie game campaign the most important campaign asset is a playable game demo that could be downloaded from the campaign page. Other supporting materials include a video pitch, concept art illustrations, game soundtrack, and game screenshots.

Perfecting the campaign pitch. The text should be descriptive, interesting, informative with the most important and enticing information at the top of the page.

Setting up a crowdfunding campaign page. "Your game's project page is likely the only page potential backers will view before making the decision to contribute to your campaign. It should be informative, well-structured and highly visual." (Junkkila, A. 2014)

Planning the funding targets. It is important not to overestimate financial goals. It is better to ask for what you need at bare minimum to make a project work, and in the project description add stretch goals, i.e. added content, features, services or events that will be offered only if more money is raised (Steinberg, S. 2012). Apart from game production costs, taxes, crowdfunding platform fee and money transferring fees must be taken into account.

Planning the rewards. Badly designed rewards can ruin a crowdfunding campaign. It is of paramount importance to research the rewards system of similar campaign and use their experience. Junkkila in his Ultimate Kickstarter and Greenlight Guide suggests that the following rewards would be good for indie games:

- early access
- digital Bundles (game, wallpaper, posters, soundtrack)
- custom characters or the backers name in the game
- designing own events to the game

points will help to work out a strategy for the campaign and set a certain reference points.
− collector’s edition physical game boxes
− t-shirt and posters

However, being under a very tight budget an independent developer should first and foremost think about the burden extra tangible rewards will have on the raised funds.

− Planning the campaign timeline. Although the most common recommendations on an optimal duration are from 30 to 47 days, timeframes should be determined based on individual project base. For an independent game developer with a bootstrapped marketing plan capturing the attention of media and keeping the momentum might be hard so a longer campaign timeframe might be a safer choice.

− Planning marketing activities for the campaign. The main challenges will be to have a good start and attract a lot of traffic to the campaign page and backers to support the game in the very beginning. This way the campaign will gather momentum (herd effect) and hopefully attract attention of media and key influencers with the minimum efforts from the campaign owner. Another challenge is to keep the momentum, to sustain and grow the buzz around the campaign.

− Running a system check and testing the crowdfunding campaign page and rewards on friends, fellow-developers, several potential game backers to get their feedback and make last adjustments.

2.3.3 Launching and running the campaign

Once the crowdfunding page is launched the main objective is to drive traffic to the crowdfunding page (Jonassen, E. 2012b). If the pre-launch planning and community building went well a developer by now should have a sizable and enthusiastic audience of friends and supporters ready to be first to contribute to the project and spread the word through social media.

As the first buzz of the launch slowly dissipates the core task is to keep the momentum and eventually grow it bigger. “Not a day should go by that you (and your friends and partners) aren’t updating, tweeting, posting news, calling on prospective patrons, handing out promotional cards, or any combination of the above in order to help promote your project” (Steinberg, S. 2012).
After the launch updating and communicating with your supporters to keep them excited throughout the campaign becomes the main task. "The more effort and creativity you put into these rewards and updates, the more engaged your contributors will be" (Jonassen, E. 2012b). To stress the role of backers The Crowdfunding Bible calls them “the lifeblood of your campaign”. All the questions and concerns raised by the backers should be addressed immediately. Where the marketing of a crowdfunding project is concerned the key to success is to create a continuous dialogue that only gets louder with time. (Steinberg, S. 2012).

Reddit, Twitter and Facebook have proven to be most efficient social media in promoting independent games. Gaming industry events, jams and conventions are great opportunities to raise awareness and spread the word about your project. During the campaign crowdfunding platform tools let you track the channels that generate the most traffic to the campaign page. Making use of it and focusing efforts on those channels will

2.3.4 After the completion of a campaign

Once the campaign is over whether it succeeded or failed to raise the funds, it has gathered a certain fanbase around the project. It is crucial to carry on communication with the backers however small their number may be. The Crowdfunding Bible author Scott Steinberg (Steinberg, S. 2012) defines the next steps as following:

- Saying thank you to the backers through an update or in a personal message to show appreciation and enthusiasm.
- Collecting information from the backers to fulfil their pledges. In case the campaign failed, analysing it.
- Staying connected with backers and keeping them involved. Once the campaign is over ideally the community should be moved onto the project website or blog.

Successfully funded independent games could move on to Steam Greenlight process managed by an internet-based digital distribution video game developer Valve Corporation. In Greenlight developers can submit their game concepts to a vote of community users. If successful Valve will help the developers to bring the title to the Steam digital marketplace (Steam 2014). Post crowdfunding campaign revenue could be maximized by opening up a PayPal donation option or opening a pre-order sales on their own website.
3 Conducting an online crowdfunding campaign for an independent video game Windlands

This chapter will look into the preparation and running of the Windlands crowdfunding campaign. Overall the process of designing of the campaign followed the guidelines described in the first chapter of the thesis. Special attention will be paid to the pricing of the rewards and marketing activities designed for the campaign.

3.1 Choice of the crowdfunding platform

As Windlands developers are based in Finland the choice of a crowdfunding platform was quite straightforward. Despite the obvious advantages of Kickstarter such as an overall larger user base and a simpler credit card payment option for backers, Windlands was launched on Indiegogo.

Figure 2. Windlands poster for the Indiegogo campaign.
Kickstarter is open for campaign owners who reside in the US, UK, Canada, Australia, New Zealand, the Netherlands, Denmark, Ireland, Norway and Sweden. Although there are ways of having a Kickstarter campaign done for you by residents of these countries, Windlands developers wanted to avoid complications, extra costs and delays of this kind of arrangements. Besides, there always was a concern of dealing with Finnish tax authorities and Police. Having the raised funds transferred from a USA resident and “a formal campaign owner” might have caused certain problems and made it necessary to apply for expensive legal help.

One of the drawbacks of using Indiegogo was that as the developers chose “all-or-nothing” Fixed Funding option they were able to offer only PayPal payment system to their backers. Credit card payments would have made it easier for supporters to buy perks, but this option was only available for Flexible funding. However, in case the funding goal hadn’t been reached the PayPal system would have made refunding to the backers easier.

3.2 Preparation for the campaign

At this stage the two most important tasks were to make a high-quality playable game demo and build up a community around the game.

The work on building up a fanbase started as early as September 2013, almost a year before the crowdfunding campaign was launched. In August 2013 Windlands developers took part in the VR Jam organized by Oculus Rift to encourage game developers to start producing content for the Oculus Rift headset. The VR Jam 2013 was a long-format, worldwide game jam presented by Oculus and IndieCade with more than $50,000 in prizes. Participants were to design innovative virtual reality games and experiences specifically for the Oculus Rift. After the jam was over all the games and demos produced for it were featured on official Oculus VR Share page available for download for anyone.

Although Windlands did not get into the winners’ list, it was ranked high along with other virtual reality games. Conversations with whoever was interested in the game started on Oculus Share forums than moved to Reddit and YouTube. Later came personal emails and even skype conversation with people who wanted to offer help or know more about the game.

The community of virtual reality enthusiasts and Oculus Rift developers was so small compared to huge fan crowds of PS and Xbox games that anything new that came out for
Oculus headset was immediately noticed and discussed. Oculus Rift early adopters were hungry for virtual reality demos, games and news. Due to this factor it wasn’t that hard to be noticed by the right crowd.

Windlands developers set a website, blog, social media accounts (Facebook, Twitter, YouTube) and committed to releasing video updates on Youtube. YouTube, Twitter and Reddit were chosen to be the main communication channels.

The most important outcome of the preparation stage in terms of marketing was that Windlands acquired several very loud and committed supporters who became the game ambassadors. Their contribution to the campaign in terms of spreading the word and driving traffic to the Indiegogo page was invaluable throughout the campaign. Crowdfunding helps rapidly acquire brand evangelists, i.e. backers who will want to become a part of the campaign owners’ virtual team (Young, T.E. 2013, 17).

3.3 Marketing the campaign

It is crucial to understand that every crowdfunding campaign is “essentially a consumer marketing effort” (Steinberg, S. 2012). In the market full of indie game projects it is vital that your crowdfunding campaign gets noticed. Project success depended on whether Windlands campaign will be able to reach out to their target audience and engage the supporters or not.

Windlands is a niche game for a just appearing market of virtual reality games powered by the development of the first virtual reality gaming headset Oculus Rift. The target audience for this kind of project would be early adopters of the technology, a group characterised as enthusiastic, passionate and well-informed. Marketing guru Seth Godin puts it this way: “What you need to do is sell to the geeks and the nerds -- innovators and early adopters -- and give them a way to make remarks about you” (Fastcompany 2014). And indeed for a small project like Windlands all we had to do was to find that really hard-core group of fans who later became ambassadors of Windlands spreading the word and bringing in more supporters.

Windlands marketing plan had to be for the most part bootstrapped and rely on the digital word of mouth in social media and the community built before the campaign. There were three important pillars on which Windlands campaign marketing plan was based.
3.3.1 Participating in the industry event Oculus Connect 2014

Participation in the Oculus Connect conference and timing it with the campaign launch. Oculus Connect 2014 is the first largest event for virtual reality developers and enthusiasts organized by the company designing Oculus Rift virtual reality headset. The conference took place in Los Angeles, September 19-20, 2014, and gathered together more than 2000 developers, Oculus Rift engineers and marketing team. Windlands game designer took the game to the event to present it to the fellow developers and do some networking. The launch of the campaign on Indiegogo was timed so that it had been live for 4 days before the Oculus Connect event.

3.3.2 Key influencers

YouTubers were identified as the key influencers for promoting the game. YouTube game reviewers and entertainers such as Pewdiepie, Markieplier, Jacksepticeye have armies of followers and having them play Windlands would generate a great buzz around the game and give the campaign a larger exposure.

We wanted to engage mostly the popular YouTubers who specialize on creating video content on virtual reality games for Oculus Rift. The amazing thing was that we even didn’t have to put much effort into it. Once the news about the campaign launch was out on the virtual community news websites, YouTube virtual reality game reviewers discovered the demo and made videos about it. Within a week it reached the attention of Jacksepticeye, an Ireland based YouTuber and gamer with a fanbase of 1,639,652 followers. His video on Windlands received 574,408 views and Windlands Indiegogo page traffic skyrocketed immediately. At the same period of time the game reached the highest amount of perk sales.

3.3.3 Engaging Windlands fanbase

In case of Windlands there were not any major content updates or demo updates planned throughout the campaign. Two weeks into the campaign the buzz of the launch was gone and the momentum gained from the YouTube video was getting weaker. Crowdcruel.com, one of the most well-known resources dedicated to crowdfunding, states that organizing a giveaway or creating a contest for Kickstarter, Indiegogo is a great way to give incentive to potential backers to become engaged with the project (Crowdcruel 2014). As the campaign faced the issue of sustaining the momentum and we decided to use the resources the game had to offer to keep backers engaged and talking about Windlands. We launched two competitions based on the content of the game demo.
Windlands Speedrun was a kind of "King of the Hill" competition to find out who can race to the final point of the game the fastest at the same time gathering all the collectable items in the game. The objective of the competition was to encourage backers to create and share their own content on social media and start new conversations on Reddit.

Another competition was a Call for Hook Design. One of the digital reward items for all the backers who bought the game was a customized Backer Grappling Hook, a tool a player uses a lot in the game to move around. So we decided to ask the backers what this hook should look like. This competition was an invitation for them to be not only co-funders but also co-creators of the game.

The results of the competition and Hook Design vote were scheduled for after the campaign ends to keep the conversation with the supporters going. Both competitions generated a response and we received quite a few competition entries.

3.4 Creating the campaign

This stage of the campaign started a couple of months before the launch. Most of the time was spent on researching other similar Kickstarter and Indiegogo crowdfunding projects. The most important decisions to be made were:

- How long should the campaign last?
- What kind of rewards to offer and how they should be priced?
- What should be the funding goal?
- What kind of pitch and video should it have?

To answer these questions we selected several successful campaigns for virtual reality games and looked into their reward structure, amount of backers, pitch video and timeline. We also included several non-virtual reality independent games that were very successful. The games we looked into are listed in table 1 below.
<table>
<thead>
<tr>
<th>game</th>
<th>duration</th>
<th>amount of backers</th>
<th>funds requested</th>
<th>funds raised</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Alone</strong> an immersive VR horror experience for the Oculus Rift</td>
<td>30 days</td>
<td>356</td>
<td>$25,000</td>
<td>$9,048</td>
</tr>
<tr>
<td><strong>Loading human</strong> adventure game for Oculus Rift set in a Sci-Fi world</td>
<td>30 days</td>
<td>926</td>
<td>$30,000</td>
<td>$40,078</td>
</tr>
<tr>
<td><strong>Technolust: True Cyberpunk</strong>, adventure game made exclusively for the Oculus Rift Virtual Reality System</td>
<td>30 days</td>
<td>1,489</td>
<td>$30,000</td>
<td>$64,477</td>
</tr>
<tr>
<td><strong>The Gallery: Six Elements</strong>, an immersive first-person adventure for the Oculus Rift</td>
<td>30 days</td>
<td>1,568</td>
<td>$65,000</td>
<td>$82,937</td>
</tr>
<tr>
<td><strong>Kôna</strong>, VR-powered interactive tale, which takes</td>
<td>30 days</td>
<td>1,304</td>
<td>$40,000</td>
<td>$44,271</td>
</tr>
<tr>
<td><strong>Hyper Light Drifter</strong>, a 2D Action RPG</td>
<td>30 days</td>
<td>24,150</td>
<td>$27,000</td>
<td>$645,158</td>
</tr>
<tr>
<td><strong>Reset</strong>, sci-fi mystery first person puzzle game</td>
<td>42 days</td>
<td>1,979</td>
<td>€65,000</td>
<td>€71,398</td>
</tr>
</tbody>
</table>

### 3.4.1 Campaign objectives and funding goal

Apart from raising funds for the game production another goal of the campaign was to see how many people will actually be interested and how big is our audience. Crowdfunding gives entrepreneurs a great advantage of getting valuable validation of their idea or con-
cept in addition to funds (Young, T.E. 2013, 14). Apart from funds we were also looking forward to backers’ feedback and input on the game concept and mechanics.

After looking into other virtual reality games for Oculus Rift the most optimistic assumption was that Windlands could attract about 900 backers. Knowing this, we could start working on the rewards prices and make estimations on the minimum number of backers we needed to succeed.

There is a lot of evidence that majority of crowdfunded projects do not collect enough money to allow their owners to actually successfully fulfill their promises to the backers and finish their project on time. According to the CNNMoney article on the top fifty most-funded projects on Kickstarter, 84% of them missed their target delivery dates (Pepitone, J. 2012). Among them is a very successful game project Broken Age by Double Fine Adventure studio. The studio ended up spending much more money than they expected even despite multi-million Kickstarter campaign funds (Grayson, N. 2013). Windlands project wasn’t that ambitious at all and we didn’t expect to receive too much money. Our primary concern was to figure out the appropriate funding goal taking into the account the scale of the project and all the cuts that will be deducted eventually.

Ethan R. Mollick in his research on the dynamics of crowdfunding writes that appropriate goals are those “that allow a founder to deliver a product on time” (Mollik, E. R. 2013, 14). According to him, it is essential to plan carefully to set these goals and to prepare for a probable unexpected crowdfunding success, which will mean a need to rapidly execute promises made by the campaign owners.

Windlands is a niche game for an emerging market and a relatively small project so the idea was to keep the goal realistic and ask for the minimum amount necessary for the game production. The funding goal of $14,000 was decided upon after putting together the cost of living for the developers during the game production time of six months, tax payments to the Finnish tax authorities, Indiegogo fee of 4% and PayPal fee of 5%.
3.4.2 Campaign timeline

According to the Indiegogo data campaigns that last less than 40 days are 6% more likely to reach their goal than campaigns that go over the framework of 40 days (Xing, G. 2012). If the campaign lasts longer, it becomes harder to keep the audience excited and engaged. Another disadvantage of having a longer campaign is that people who would rather contribute later and see that there is a lot of time left, might forget to come back to the campaign (Xing, G. 2012).

Thomas Elliot Young in his guide to crowdfunding says that surprising as it may seem the duration of a campaign doesn’t have much to do with how it performs (Young, T.E. 2013, 102). Referring to the data collected by the Kickstarter, he instead emphasizes the dynamics of any crowdfunding campaign: “all of the campaigns start strong, then hit a ‘trough’ when interest and pledges slack off and then pick up at the end” (Young, T.E. 2013, 102).

For the campaign timeframe we decided make it a 45-day campaign. Being new to crowdfunding we took 5 more days just to be on the safe side. The campaign timeline is represented in the table below.
Table 2. Windlands crowdfunding campaign timeline.

<table>
<thead>
<tr>
<th>September week 38</th>
<th>15</th>
<th>16</th>
<th>17</th>
<th>18</th>
<th>19</th>
<th>20</th>
<th>21</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Campaign goes live</strong></td>
<td>sending press releases to the media</td>
<td>presenting Windlands at Oculus Connect conference in Los Angeles</td>
<td>posting updates from Oculus Connect</td>
<td>sending messages to Facebook virtual reality Oculus communities</td>
<td>sending thank you messages to the first contributors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>September week 39</td>
<td>22</td>
<td>23</td>
<td>24</td>
<td>25</td>
<td>26</td>
<td>27</td>
<td>28</td>
</tr>
<tr>
<td></td>
<td>contacting YouTubers</td>
<td>contacting traditional Helsinki based media</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sept -Oct week 40</td>
<td>29</td>
<td>30</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>demo update</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>October week 41</td>
<td>6</td>
<td>7</td>
<td>8</td>
<td>9</td>
<td>10</td>
<td>11</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>Speedrun competition announced</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>October week 42</td>
<td>13</td>
<td>14</td>
<td>15</td>
<td>16</td>
<td>17</td>
<td>18</td>
<td>19</td>
</tr>
<tr>
<td></td>
<td>A call to push for the next stretch goal</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>October week 43</td>
<td>20</td>
<td>21</td>
<td>22</td>
<td>23</td>
<td>24</td>
<td>25</td>
<td>26</td>
</tr>
<tr>
<td></td>
<td>Backer Hook Design Competition announced</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>October week 44</td>
<td>27</td>
<td>28</td>
<td>29</td>
<td>30</td>
<td>31</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Campaign is over</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

3.4.3 Campaign rewards design

Research into rewards design and designing and pricing Windlands perks proved to be the most time-consuming task at this stage.
Everything Guide to Crowdfunding advises to approach rewards structure design with a retail mindset and offer different price levels, or tiers: simple rewards in lower-priced levels and more attractive rewards as levels increase in price (Young, T.E. 2013, 99).

Despite the fact that early bird perks are very popular we decided not to use them in Windlands campaign. Early-bird pledge levels are limited exclusive perks selling rewards at a cheaper price to the backers who contribute early in the campaign. They are the best way to get the project off the ground at the beginning. The only purpose of early-bird rewards is to make backers contribute now instead of later on the first few days of a crowdfunding campaign (Stonemaiergames 2013d).

Early-bird perks are efficient for campaigns that expect to reach out to a relatively large number of backers. For some campaigns early bird reward tier was like shooting themselves in the leg: after all the cheaper early bird rewards got sold and there were not a lot of new backers coming in other perks won’t sell. In case of Windlands it was highly unlikely that it would get over 900 backers so the early bird reward was not an option.

Besides early bird reward seemed to be unfair to all the other backers who would come later. In order to avoid any negative feelings to backers for not being on time for the cheaper rewards Windlands campaign did not use any early-bird tiers.

Another important decision was that the reward system shouldn’t include any tangible rewards like T-shirts or paper posters. The developers wanted all the money to be spent on the game production proper. Physical rewards would have made the requested funding figure a lot higher and put the campaign at risk. From the experience of Double Fine Adventure crowdfunding campaign it was obvious that handling physical rewards eventually became a burden on the game production budget even despite the great success of the campaign (company received $3,3 M). The only exception we made was for a high level reward of $750 available only to a limited number of backers. It included a pushy of a game monster character.

The logic of Windlands reward system was that we wanted to make certain perks more attractive for backers than others. To decide on the reward prices and content we had to find out the following information:

- how much virtual reality campaigns priced rewards that include only a game
- which rewards are the most popular
- which bring the most money
The only way for us to price a reward that sold one copy of the game was to see what price other Oculus Rift developers set for their games and how much backers were willing to pay. Table 2 shows the highest price for a game in successful crowdfunding campaign for virtual reality games was around $25. At the time of the research there were only three successfully crowd-funded virtual reality games out there.

Table 2 shows the highest price for a game in successful crowdfunding campaign for virtual reality games was around $25.

At the time of the research there were only three successfully crowd-funded virtual reality games out there.

Table 3. Price for a 1 copy of a game in crowdfunding campaign for virtual reality games.

<table>
<thead>
<tr>
<th>The Gallery</th>
<th>$25.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technolust</td>
<td>$22.00</td>
</tr>
<tr>
<td>Loading Human</td>
<td>$ 25.00</td>
</tr>
</tbody>
</table>

The price of $20 per copy of the game seemed to be appropriate considering that indie games on Steam are priced at a wide range between $2.50 and $15 (Steam, 2014).

As table 4 demonstrates the most popular rewards are a digital copy of a full game and an early beta access to the game.

Table 4. The most popular rewards in the selected indie game crowdfunding campaigns

<table>
<thead>
<tr>
<th>Game</th>
<th>Backers</th>
<th>Reward price</th>
<th>Reward content</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loading human</td>
<td>33%</td>
<td>$25.00</td>
<td>game and a backer’s name in the game</td>
</tr>
<tr>
<td>Technolust: True Cyberpunk</td>
<td>51%</td>
<td>$30.00</td>
<td>early beta access, game, name in the game</td>
</tr>
<tr>
<td>The Gallery: Six Elements</td>
<td>29%</td>
<td>$30.00</td>
<td>early beta access, game, name in the game, game manual</td>
</tr>
<tr>
<td>Kôna</td>
<td>44%</td>
<td>$20.00</td>
<td>all game episodes</td>
</tr>
<tr>
<td>Hyper Light Drifter</td>
<td>35%</td>
<td>$10.00</td>
<td>early bird reward: a copy of the game</td>
</tr>
<tr>
<td>Reset</td>
<td>38%</td>
<td>€25.00</td>
<td>a copy the game</td>
</tr>
</tbody>
</table>

Table 5 shows the two top profitable rewards for each of the selected games. These rewards consist of a copy of a game, an early access to the game (beta access), backers’ name in the game, and early bird perks. They account for as much as a quarter of the total funds raised. The conclusion we came to after looking at this data was: backers
choose perks that give the best value for their money, i.e. plain and simple a copy of the future game or the early access to the game content as an add-on to the game.

Table 5. Rewards that brought the most money into the selected indie game crowdfunding campaigns.

<table>
<thead>
<tr>
<th>Game</th>
<th>% of funds raised</th>
<th>Reward price</th>
<th>Reward content</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loading human</td>
<td>19%</td>
<td>$25.00</td>
<td>game and a backer’s name in the game</td>
</tr>
<tr>
<td></td>
<td>17%</td>
<td>$35.00</td>
<td>game and VIP access</td>
</tr>
<tr>
<td>Technolust: True Cyberpunk</td>
<td>36%</td>
<td>$30.00</td>
<td>early beta access, game, name in the game</td>
</tr>
<tr>
<td></td>
<td>14%</td>
<td>$22.00</td>
<td>copy of the game</td>
</tr>
<tr>
<td>The Gallery: Six Elements</td>
<td>23%</td>
<td>$45.00</td>
<td>alpha access, game</td>
</tr>
<tr>
<td></td>
<td>17%</td>
<td>$30.00</td>
<td>beta access, game</td>
</tr>
<tr>
<td>Kôna</td>
<td>26%</td>
<td>$20.00</td>
<td>all game episodes</td>
</tr>
<tr>
<td></td>
<td>9%</td>
<td>$28.00</td>
<td>all game episodes, game soundtrack</td>
</tr>
<tr>
<td>Hyper Light Drifter</td>
<td>20%</td>
<td>$40.00</td>
<td>2 copies of the game, beta access, name in the game</td>
</tr>
<tr>
<td></td>
<td>13%</td>
<td>$15.00</td>
<td>game, PDF game manual</td>
</tr>
<tr>
<td>Reset</td>
<td>26%</td>
<td>€25.00</td>
<td>game</td>
</tr>
<tr>
<td></td>
<td>14%</td>
<td>€20.00</td>
<td>early bird reward: game</td>
</tr>
</tbody>
</table>
Based on this information we designed two rewards – Explorer and Hero - we wanted the backers to find most attractive and sensible. Later they also proved to be the most profitable perks.

Assuming these rewards were the most popular we estimated that the minimum number of backers Windlands needed to raise $14,000 was around 500.

### Table 6. Rewards that raised most funds in Windlands campaign

<table>
<thead>
<tr>
<th>Reward</th>
<th>% of funding</th>
<th>Reward price</th>
<th>Reward content</th>
</tr>
</thead>
<tbody>
<tr>
<td>Windlands Explorer</td>
<td>25%</td>
<td>$20.00</td>
<td>digital copy of the game, backer hook</td>
</tr>
<tr>
<td>Windlands Hero</td>
<td>39%</td>
<td>$35.00</td>
<td>early Beta access, game, Windlands OST, backer hook</td>
</tr>
</tbody>
</table>

The whole reward system of Windlands Indiegogo campaign is in the Appendix 1.

### 3.4.4 Marketing communication plan

It is essential to have a comprehensive outreach plan in place before the campaign starts (Young, T.E. 2013, 101). It basically means identifying the media we wished to engage and have a plan of how to do it.

Even 10-15 years ago marketing was about pushing a message to consumers and getting them to hear it. The task was to cut through the noise of other brands’ messages and grab customers’ attention. This was generally done by investing a lot into advertising to push the message through the traditional media channels. Today the situation is such that there is even more background noise and customers have access to an unlimited amount of information. However, the information age has also created new, bidirectional channels that cut directly through the noise. They can be used to deliver messages directly to the consumer. “The new digital paradigm: marketing messages must be fragmented and creatively fed into various digital channels to reach consumers at the correct moment” (Greenberg & Kate 2014, 6). Alexander Kates and Eric Greenberg in the chapter on the new digital paradigm of marketing explain that the messages can’t be pushed by marketers as they used to be. Messages should be pulled from the consumers’ end or should be left for them to discover on their own, or they (consumers) should decide themselves how to get the message through the channel. With the information flowing both ways consumers can themselves provide information into these channels. And despite the fact that all these
makes marketing communication very complicated, digital media channels allow companies develop deep connections with customers (Greenberg & Kate 2014, 9).

Our marketing communication campaign heavily relied on social media channels and online gaming news websites. We identified our target audience as early adopters of Oculus Rift technology, gamers, virtual reality enthusiasts, and basically any Oculus Rift owner at this point. And social media being a targeted media was a strategic marketing tool for it. Social media provides a new approach to marketing – “an approach that relies on dialogue, storytelling, and long term relationship building” (Greenberg & Kate 2014, 144). With the reference to crowdfunding, in order to attract and engage supporters, campaign owners need to work with social media almost constantly (Young, T.E., 2013, 19). This was especially important for Windlands campaign because marketing communication activities were bootstrapped.

During the crowdfunding campaign the goal is to drive people to the campaign page using project or company website, blog, social network pages, social news services. For Windlands project we created three lists of online media to send press release to: one with websites that write about Oculus Rift technology, games and experiences; one with the websites and communities that support and promote Indie games projects; one with the most prominent gaming news websites like Kotaku and Gametrailer. We tried to find journalists who had written about Oculus Rift or Windlands before and contacted them. Personally contacting these journalists with the Indiegogo press-release led to further communication and interviews with them. Although we didn’t get much coverage from the high-profile gaming websites, we managed to reach out to our own small crowd of virtual reality enthusiasts.

For the Windlands campaign the following social media communication channels were chosen: Facebook, Twitter, YouTube and Reddit. Eventually the purpose and character of communication on each channel was slightly different from others.

On Windlands Facebook page we posted all the uptades from the campaign with the links to the campaign page. At the launch stage of the campaign a short, enthusiastic, and fun message informing about the start of the campaign was posted to all the Facebook virtual reality community groups, independent game developers’ communities (Finnish and international) and Windlands developers’ personal pages. The kind of response we received on Facebook was likes, cheering and congratulations comments and very few questions or messages.
Twitter was used to make major updates about the campaign and repost information on Windlands that appeared in digital media and YouTube. As we found out for ourselves for Twitter to be really efficient for the campaign one has to have a lot of followers. Building up a base of followers should start a long time before the campaign is launched and then the proverbial digital word of mouth will be spreading the news about a crowdfunding campaign with the speed of light.

YouTube. Since the beginning of the campaign only one video created by the Windlands developers was uploaded - a trailer for the Indiegogo campaign. Throughout the campaign we monitored YouTube daily looking for new videos on Windlands, commenting on them, talking to their creators and responding to comments. Every week of the campaign there were at least two new videos of someone playing or reviewing Windlands so the communication on this channel hardly stopped. The type of response we received here was more like a conversation unlike on Facebook: questions, critical comments, praise.

Social news service Reddit became the place for Windlands where real conversation took place. Communities form around certain topics on Reddit and in addition to voting up and down for a topic users can also comment on submissions. Every major update on Windlands went on Reddit and generated a kind of polylogue. By the middle of the campaign we could see that mostly the same people were taking part in those discussions forming a certain kind of community. The task here was to monitor discussions, answer questions on the game on time and acknowledge the project backers.

The most efficient social media channels proved to be Reddit, YouTube and Twitter. Reddit and YouTube drove most of the traffic and contribution to the Indiegogo campaign as is illustrated in figure 2.
Figure 3. Domains that directed contributions to Windlands Indiegogo campaign

Thanks to the most enthusiastic Windlands fans-ambassadors, game developers did not even have to post updates themselves to Reddit forums and comments to YouTube videos. When the stretch goals were close to being reached it was our ambassadors who called the community to action in Indiegogo comments and on Reddit.

3.5 Running the campaign

Now in retrospect running the campaign was indeed all about talking to the backers via social media, forums and personal emails, contacting the relevant news websites and writing updates.

3.5.1 Sustaining the momentum

During the first two weeks of the campaign Windlands received 44% of its funding. The success of the good start was determined by the participation in the Oculus Connect event and taking to the fellow-developers and influencers in the virtual reality community.
Once Windlands Indiegogo campaign was featured on the major virtual reality websites such as Road to VR and Virtual Reality Reviewer, it triggered a series of YouTube videos by Oculus Rift enthusiasts and gamers. Of them all the most influential were two videos by a popular YouTuber Jacksepticeye. They account for spikes in reward sales around the days when the video was released.

The funding goal of $14,000 was reached on October 13th, 29 days after the launch of the campaign. The first stretch goal was only $1,000 above the funding goal of $14,000 and it motivated supporters to push the funding further for the extra content in the game. This explains the spike of activity in the middle of the campaign. The third big spike in sales come close to the end of the campaign as supporters were pushing for the second stretch goal.

Figure 2 illustrates the course of the campaign from the launch on September 15th till the completion on October 31. It demonstrates the inverse bell-curve effect common to most reward-based crowdfunding campaigns: there are a lot of backers on launch day and a lot of backers during the final 48 hours, but there is a slump in the middle (Stonemaiergames, 2014f).

Figure 4. Windlands Indiegogo campaign activity (Indiegogo 2014c).
3.5.2 Engaging the community

Engaging the “lifeblood” of Windlands campaign, the backers, was one of the most important tasks throughout the campaign. This crowdfunding campaign helped Windlands developers to forge relationship with some backers. As Thomas Elliot Young writes in his book Everything Guide to Crowdfunding (Young, T.E, 2013, 14) relationship with them most committed backers develop because they feel like they are part of your project’s creation. We wanted to tap on this feeling and planned two competitions throughout the campaign.

Engaging the backers into the Speedrun and Hook Design competitions also served the purpose of stretching the interaction beyond the campaign completion. We expect a new spark of interest during the vote for the Backer Hook Design, one of the competitions we organized to engage backers more.

There was one other thing we did that proved to be a success although it seemed a bit crazy in the beginning. We sent to each and every one of 631 Windlands backers a personalized thank you message within a day or two days of their pledge. The idea came from a blog post “Kickstarter Lesson #17: Treat Your Backers as Individuals, Not Numbers” by Stonemaiergames, a board game company that has used Kickstarter to fund several games (Stonemaiergame 2013b).

We did not get a response to all of them but a lot of people wrote back just to say how much they liked the game. These thank you letters started several very interesting conversations and hopefully even cooperation.

3.6 Campaign results

The campaign was a success. Windlands was 146.24% funded, received $20,473, and gathered 631 backers. The campaign was funded 29 days after the launch and during the remaining 16 days raised over $6,000 more.

As is shown in the figure 4 most of the funding came from the USA, the UK and Canada.
Contributions by Country

Countries with Contributions*

*Country is determined by visitor location, not shipping location, so data may differ from contribution records. When country is not available, region (i.e., “Europe”) is used instead.

Figure 4. Contributions to the Windlands campaign by country (Indiegogo 2014c). At the moment of writing the campaign has entered the post-completion stage and the developers are planning the game production process and further communication with the backers.
4 Discussion

For an independent game developer crowdfunding is a way of raising funds for a game production, building up a community of supporters and game advocates, and validating the game concept.

Although crowdfunding has been around for over 5 years, Finland has yet to come up with a legislation to treat funds raised through reward-based crowdfunding model on such platforms as Kickstarter and Indiegogo. In Windlands crowdfunding project we treated backers as customers to whom we presold the game and other digital products in order to make clear that funds raised during the campaign can’t be seen as donations. When the campaign was over and we contacted Finnish tax authorities, they advised us to send in an official request on the taxation of such kind of income by post. Crowdfunding legislation in Finland is being developed and, hopefully, a lot will be clearer in this domain soon. It is crucial to know before setting the funding goal to understand what kind of tax and how much the campaign owner will have to pay, so it is important to consult an accounting company or a tax officer beforehand.

Preparation stage is vital for the campaign. Indie game developers should consider starting one only after they have two crucial phases accomplished: created a quality polished playable game demo and have amassed a certain fanbase. It proved to be true for Windlands campaign. The community that formed around the project before the launch gave the campaign a good momentum in the beginning. As explained in the first chapter of this work, it is important so much in the very beginning because backers want to be a part of a project that is likely to succeed.

During the preparation of the campaign the hardest task was to answer the following questions:

- how much funds we need
- how many backers we need to fund the game
- how to price the game
- what rewards to offer

By making a research into the similar campaigns one will be able to make decisions about the funding goal, campaign objectives, reward prices and campaign marketing communication activities. A lot of time during the preparation was dedicated to the research into similar projects for Oculus Rift games. As a result we were able to roughly estimate how many backers we may expect and what should be the pricing for our most attractive re-
wards. We focused on the low and middle reward tiers because in our small research they turned out to be the most popular rewards (demanded by backers) as well as the biggest money-raisers.

Approaching reward design with a retail mindset makes it easier to come up with a sound and efficient reward system. I would like to quote here a comment the campaign rewards by a Reddit user AlverezYari and Windlands backer on one of the Reddit discussions about Windlands: "Windlands had a very playable demo that was actually fun, and they weren't asking for 500K +. Also the funding tiers are actually rewarding to the person donating vs them being priced so high that you basically buying an idea for the price of a full finished game. I hate to be that guy but when I fund I'm looking to both make someone's dream a reality and well... get a good deal" (Reddit, 2014). Of course this one comment doesn't reflect the way each and every backer sees crowd funding campaign rewards. To be able to make conclusions on the matter a research should be carried out on what backers are looking for when choosing perks. However, this single comment from one of our backers gave us a good idea of what a reward system should be about - about offering "a good deal".

As for the appropriate funding goal, the rule of thumb seems to be to set the minimum necessary goal taking into account all the cuts deducted later by the crowdfunding platform and tax authorities (Young, T.E. 2013, 100). Windlands developers decided not to overload the game development budget with tangible rewards such as posters and T-shirts. The funding goal of $14000 was reached within 29 days after the launch and the rest of the money – stretch goals - during the rest of the campaign. Announcing stretch goals, i.e. offering extra content if more money is raised, is a good way to motivate to back a project further.

The marketing effort of the campaign was focused on getting the potential backers attention to the project, engaging the existing community and contacting the key influencers. Marketing communication strategy relied on social media channels and made it possible to target relative audience (virtual reality enthusiasts, Oculus Rift owners) and carry of a dialogue with supporters and potential backers. The most efficient social media channels were Reddit and YouTube. Eventually marketing communication began to rely a lot on backers and Windlands advocates who started feeding information and content (videos, reviews) on the game into these channels. Keeping up the dialogue with backers going online and offline in personal communication from day one was essential during the campaign.
The main challenge of the campaign was to sustain the momentum, engage the existing backers and bring in new during the middle of the campaign. Splash of interest created on the gaming news websites and virtual reality websites was short-lived and media attention dissipated by the third week of the campaign. The situation changed when Windlands demo came to the attention of YouTubers with large fanbases. Identifying YouTube video bloggers as key influencers for Windlands proved to be right. Being a small-scale niche project for a developing market, Windlands had little hope to be featured by prominent game news websites and journalists, but through the YouTube gamers it got a lot of visibility and attention.

To sum it up the main success factors for Windlands crowdfunding campaign were a polished big playable demo, a good start due to the efforts of a previously build small community of fans, key influencers impact, a sound reward system, and backers’ engagement during the campaign.

As for main challenges, they were mostly related to marketing activities and marketing communication. Writing press-releases, working with social media, communicating with news media was new to me and the game developers and demanded a large amount of work and research.

Conducting a crowdfunding campaign proved to be a very large undertaking that required a lot of preparation and work. Although it was stressful at times, it was worth all the time and effort put into it. Hopefully, this work will be useful for anyone who is planning on starting a crowdfunding campaign of their own.
5 Self- Evaluation

Successful completion of Windlands campaign in terms of marketing meant we would have to design a new marketing plan for the period of the game production to keep the backers informed and interested and grow Windlands audience more before the game release in May 2015. The next step is to receive support for Windlands on Steam Greenlight, an internet-based digital distribution by video game developer Valve Corporation and start pre-order sales on Windlands website.

Working on the Indiegogo campaign for Windlands was a very interesting and demanding experience. It gave me a chance to implement in practice the knowledge I received at Haaga-Helia UAS. It also meant learning a lot of about indie game development, an area I previously had a vague idea. It was exciting to work for and with creative and professional people passionate about virtual reality technology and working on something innovative and happening right now.

The writing of this thesis coincided with the timeframe of the Indiegogo campaign. I wish I had more time to analyse the data of the campaign and provide more information on the post-completion stage of the campaign for Windlands. However this will be done in one of the Windlands blog post. I am planning on writing a summary of the campaign for Windlands for anyone interested in starting their own crowdfunding campaign for a virtual reality indie game.
References


Appendices

Appendix 1. Windlands reward structure.

<table>
<thead>
<tr>
<th>Name</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>SUPPORTER</td>
<td>You will receive a backer digital pack.</td>
<td>$1</td>
</tr>
<tr>
<td></td>
<td>Backer digital pack</td>
<td></td>
</tr>
<tr>
<td>MUSIC FAN</td>
<td>You will receive high-quality digital copy of Windlands OST.</td>
<td>$10</td>
</tr>
<tr>
<td>EXPLORER</td>
<td>You will receive a digital copy of the game and a special ingame hook</td>
<td>$20</td>
</tr>
<tr>
<td></td>
<td>designed only for indiegogo backers.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Game + Backer Hook</td>
<td></td>
</tr>
<tr>
<td>BARD</td>
<td>You will receive a digital copy of the game, high-quality digital</td>
<td>$25</td>
</tr>
<tr>
<td></td>
<td>Windlands OST and an ingame backer hook.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Game + Windlands OST + Backer Hook</td>
<td></td>
</tr>
<tr>
<td>HERO</td>
<td>You will receive an early Beta access to the game along with a digital</td>
<td>$35</td>
</tr>
<tr>
<td></td>
<td>copy of the game, high quality Windlands OST an ingame backer hook.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Game + Beta access + Windlands OST + Backer Hook</td>
<td></td>
</tr>
<tr>
<td>TRUE FRIEND</td>
<td>You will receive an extra digital copy of the game to give to a friend,</td>
<td>$40</td>
</tr>
<tr>
<td></td>
<td>awesome high-quality Windlands OST and an ingame backer hook.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2 copies of the game + Windlands OST + Backer Hook</td>
<td></td>
</tr>
<tr>
<td>ADVENTURER</td>
<td>You will receive an Alpha access, a digital copy of the game, awesome</td>
<td>$85</td>
</tr>
<tr>
<td></td>
<td>Windlands OST, an ingame backer hook and a special Alpha hook.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Alpha Access + Game + Windlands OST + Alpha hook + Backer Hook</td>
<td></td>
</tr>
<tr>
<td>CHAMPION</td>
<td>Your name will appear in credits in the Champion section in green. You will</td>
<td>$250</td>
</tr>
<tr>
<td></td>
<td>also receive a special Champion hook along with a copy of the game, Alpha</td>
<td></td>
</tr>
<tr>
<td></td>
<td>and Beta access, Windlands OST.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Name in credits + Alpha and Beta Access + Game + Windlands OST + Champion</td>
<td></td>
</tr>
<tr>
<td></td>
<td>hook + Backer Hook</td>
<td></td>
</tr>
<tr>
<td>GUARDIAN</td>
<td>Your name will appear as in credits in the Guardian section in glowing</td>
<td>$500</td>
</tr>
<tr>
<td></td>
<td>orange. You will also receive a special Guardian hook along with a copy of</td>
<td></td>
</tr>
<tr>
<td></td>
<td>the game, Alpha and Beta access, Windlands OST.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Name in credits + Alpha and Beta Access + Game + Windlands OST + Champion</td>
<td></td>
</tr>
<tr>
<td></td>
<td>hook + Backer Hook</td>
<td></td>
</tr>
<tr>
<td><strong>PLUSHY</strong></td>
<td>Windlands OST + Guardian hook + Backer Hook</td>
<td></td>
</tr>
<tr>
<td>------------</td>
<td>---------------------------------------------</td>
<td></td>
</tr>
<tr>
<td></td>
<td>You will receive a handmade plushie of a game boss of your choice or the main character.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Plushie + Name in credits + Alpha and Beta Access + Game + Windlands OST + Guardian and Champion hook + Backer Hook</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$750</td>
<td></td>
</tr>
<tr>
<td><strong>CO-DESIGNER</strong></td>
<td>Windlands OST + Guardian hook + Backer Hook</td>
<td></td>
</tr>
<tr>
<td></td>
<td>You will co-design a platforming puzzle for one of the levels.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Puzzle design + Name in credits + Alpha and Beta Access + Game + Windlands OST + Guardian and Champion hook + Backer Hook</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$1000</td>
<td></td>
</tr>
</tbody>
</table>