Understanding Crowdfunding Work: Implications for Support Tools

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Abstract

Crowdfunding is changing the way people realize their work by providing a new way to gain support from a distributed audience. This study seeks to understand the work of crowdfunding project creators in order to inform the design of crowdfunding support tools and systems. We conducted interviews with 30 project creators from three popular crowdfunding platforms in order to understand what tasks are involved and what tools people use to accomplish crowdfunding work. Initial results suggest that project creators carry out three main types of work—*preparing* the campaign material, *marketing* the project, and *following through* with project goals—and have adapted general support tools to facilitate doing this work. From our initial findings, we hope to improve and design future crowdfunding support tools and systems.

Keywords

Crowdfunding; work; qualitative study; support tools

ACM Classification Keywords

H.5.m. Information interfaces and presentation (e.g., HCI): Miscellaneous.

Introduction

Crowdfunding—the online request for resources from a distributed audience often in exchange for a reward [5]—provides a new way for creative individuals and teams to solicit financial support from the crowd. Crowdfunding supports a wide range of creative individuals, from video game designers seeking $1,000,000 to create a game console, to product designers seeking $25,000 to produce environmentally friendly office supplies, to an architect seeking $4,000 to improve a local park.

The number of crowdfunding platforms has grown by more than 300% in the last four years, with more than 1 million launched projects in 2011 [3]. Despite the emerging opportunity to support a growing creative community, few HCI researchers have explored designing systems for crowdfunding. To date, crowdfunding has been studied by scholars in economics, management, and business, who primarily explore it from a financial perspective, finding that crowdfunding could create a disruption to the market by overcoming barriers to financial transactions [1] and could provide a new way to gather data on consumer willingness to pay [2]. None of these previous studies address the design of support tools [10] for crowdfunding work.

Our research contributes to current efforts in HCI to design better systems that support crowd work [6]. We consider crowdfunding as a specific type of crowd work [8]; as requestors on crowd work platforms must motivate workers to participate, crowdfunding project creators must motivate supporters to donate funds. Through our previous research on understanding crowdfunding motivations [5], we realized a need to understand the actual work involved in crowdfunding. By understanding crowdfunding creator practices, we can design better support systems informed by user needs [7]. We began our study by asking the question: *What is the work of crowdfunding?* In order to work with existing social-technical systems [10], we ask: *What current systems support crowdfunding work?* By understanding what crowdfunding creators do and how they do it, we can identify which aspects of crowdfunding work need to be better supported, thus informing the design of future tools.

Method

Participants. We performed a qualitative study of crowdfunding work through interviews with 30 project creators (11 women). We focus specifically on project creators as an initial exploration of the crowdfunding community. We interviewed participants from three of the most popular crowdfunding platforms—Kickstarter, IndieGoGo, and Rockethub. Project types included Art (2), Comics (1), Dance (1) Design (3), Education (1), Fashion (1), Film & Video (3), Food (3), Games (1), Music (2), Photography (2), Publishing (4), Science (3), Technology (1), and Theater (2). 76% of project creators met their fundraising goal. Participant ages ranged from 20 to 52 years old, and amounts raised ranged between $71 and $313,371.

Procedure. We recruited interview participants through random and snowball sampling, which allowed us to identify typical and atypical participants from the crowdfunding population. In semi-structured interviews, we asked participants to describe the work involved in crowdfunding and the tools they used to accomplish their work. Each interview lasted around 30 minutes. All of the interviews were conducted through
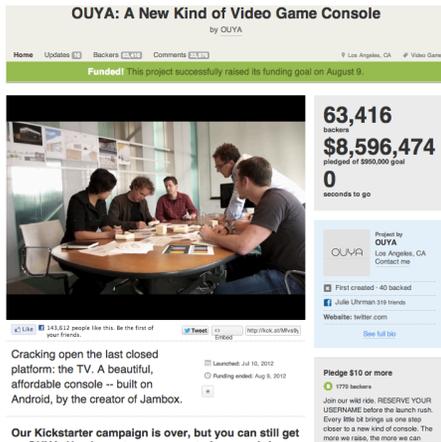
Figure 1: Screenshot of a crowdfunding project page on Kickstarter.

video conferencing or by phone, and were conducted during and after the creator's campaign. As an advantage, this research approach includes both reflective and in situ data. Disadvantages include possible bias from self-report [8]. Interviewees were not compensated for their participation.

Analysis. We collected 208 pages of transcribed interviews and used selective coding and analysis [9] to understand the work involved. Following grounded theory analysis methods [9], we started the study with open qualitative data collection, and as theoretical categories emerged, we began to ask more focused questions to verify and expand on these emergent themes. We flagged each instance in which creators described the work involved and support tools used, and clustered tasks into three conceptual categories.

Preliminary Findings

We have identified three main types of crowdfunding work: *preparing* campaign material, *marketing* the project, and *following through* with project goals. We describe the work and discuss tools and systems used to support this work in the following sections.

Prepare the Campaign Material
Preparing the campaign material includes all crowdfunding related efforts prior to the campaign launch. From our initial findings, we find that creators prepare campaign materials by using video technologies, searching for similar projects on crowdfunding platforms, reading crowdfunding related blogs, and going through online crowdfunding tutorial pages. All three platforms require similar campaign material, which typically includes a video, a project description, funding goal, campaign duration, and

reward descriptions to be posted on the campaign page (see Figure 1). Based on our interviews, preparing these materials can last three to six months before the campaign during which time, the creators spend extensive efforts understanding the process and learning new skills, such as videography. A creator of a science project described challenges with preparation:

"It was enveloping in terms of taking up time, emotion and overall effort. Creating a video is difficult. I felt like it was a good opportunity and a good experience, but nonetheless, it takes a lot of time developing a script, collecting all the videos, editing, etc." -p11

To facilitate learning from previous crowdfunding projects, Kickstarter, IndieGoGo, and Rockethub provide project search capabilities based on various project attributes, such as project location and category. Investigating other projects helps creators decide on reward ideas, video ideas, project description language, and nature of communication with supporters. A creator of a publishing project explained:

"It's always good to see what works for these projects and what doesn't work. How they're promoting, backer updates…All of those different parts of it, you kind of take those as inspiration and figure out how to adapt that to your own voice." -p6

Some project creators choose to share advice on personal blogs documenting their crowdfunding experience. Creators reported reading these advice blogs as a useful way to prepare for their own campaign. One creator of a photography project described how he got inspiration from a related project:

"I was reading somebody's Tumblr…It was another photo project…That's how I came up with a lot of my rewards…I kind of was trying to take a little from a lot of people [to] come up with rewards that people are kind of into." -p20

Furthermore, all three platforms provide tutorial/information pages to explain crowdfunding responsibilities. Few creators cited using these tutorials as a major method of preparing for their campaign. This suggests that more research is needed to understand what makes crowdfunding-specific tools useful or not useful.

Overall, creators describe the usefulness of tools that support learning from analogy [4], such as reading advice blogs and searching for inspirational projects. Creators also express difficulties with learning new technologies to prepare certain campaign materials.

Market the Project
Marketing the project typically occurs during the live campaign. Creators market their project by publicizing their idea through social media, emailing people in their social network, and contacting news media outlets. Creators report spending 2-11 hours a day marketing during a live campaign that usually lasts 0.5-2.0 months. This work is particularly arduous for people simultaneously maintaining their "day" time jobs.

"It's honestly, like, it's a full time job. If you're going to launch a Kickstarter, you have to be prepared to devote 4-5 hours a day just making sure that you are promoting it or following up on." -p8

To take full advantage of social media, creators ask their personal network to employ viral marketing strategies of spreading the word. For instance, a creator of a food project described:

"Help I get from my good friends is just reposting it…echoing it out on onto their networks and their Facebook or LinkedIn or Twitter accounts." -p18

In order to reach personal connections, creators also report sending emails once or twice a week to personal connections to remind them to support the campaign.

"I was emailing people individually asking for support…I would say, hey person's name, I am doing this project. It's really cool, and give them like a description of it, and at the end of it, I would say, I know that this project will be very successful on Kickstarter because of supporters like you." -p1

Despite widespread efforts to market one's project, not all creators garner the needed publicity. Many creators report difficulty with marketing their project in terms of time commitment and finding an interested audience. A creator of a publishing project described:

"I've reached out to dozens and dozens of blogs and newspapers and entertainment sites…And I've just gotten a couple of mentions, which really surprises me. It's been very difficult getting the word out there… I have good friends that I haven't been able to get to the site. It's very shocking. It kind of shows you who your real friends are." -p24

Creators market their project through social media, email, and asking friends to spread the word. Creators

see marketing as very time consuming and frustrating when their publicity efforts are ineffective.

Follow Through with Project Goals
Creators follow through with project goals after the campaign if they are able to keep their raised money. Kickstarter only allows creators to keep the funds if the creators reach their funding goal, while IndieGoGo and Rockethub allow creators to keep what they raise. Creators follow through with project goals by learning new skills and/or collaborating with outsiders. Creators typically do not finish executing the project until three months to a year after the campaign is finished.

Those who choose to both complete their project and produce the rewards on their own often report being overwhelmed with the work. Of the 30 people we interviewed, creators reported having to manage between 3 and 3,258 supporters. A creator of a publication described how she was unprepared to produce on a large scale:

"We're a one person company for the most part. I'm the only full time person working on this over here…It's just a lot to get all these things out to that many people." -p7

To the dismay of her supporters, p7 could not send her rewards out until months after her promised deadline. Sending out rewards after the proposed shipping date has become a prominent issue in popular press [11].

Creators reported the need to gain entrepreneurial experience outside their skillset. One creator of a board game project described how learned business skills:

"You have to tap into these resources that are way outside of most people's areas of expertise. So, talking to international vendors, figuring out shipping tariffs and getting to liberties cargo boxes, all that junk, like, I don't know, and I still am learning it." -p27

Few creators described having enough funds to hire outside help. Those who were able to, described the value in hiring an assistant:

"I was very lucky in that I didn't handle the mailing myself. My assistant did. But, I think she wanted to throttle me and the postal service by the end." -p15

Creators reported the use of general planning and communication tools, such as Excel and email, to manage orders and collaborate with others. No creators described using crowdfunding-specific support tools in this phase of crowdfunding work.

Discussion & Implications for Design
Perceptions of fast financial return and low barrier to entry has led the public to believe that crowdfunding is a quick and easy way to fundraise. However, our initial findings suggest that crowdfunding is more time consuming and requires more skills than what most creators expect. Creators report having trouble with learning new skills in preparation of the campaign, finding and mobilizing supporters while marketing their project, and following through with project goals on a mass scale. We intend to complete additional interviews to better understand these work challenges.

While there exist general systems that support crowdfunding work, our study suggests that crowdfunding support tools could help creators better

navigate the process. Already, new websites, independent of crowdfunding platforms, have started to emerge, such as The Kickback Machine [12], which helps project creators research their project space before launching a campaign. We advocate for the design tools that help creators with work that they found particularly difficult. For example, we can create Facebook applications that help creators measure their social network interest level and ability to spread the word prior to their campaign launch.

Understanding the work involved in crowdfunding is the first step to identifying opportunities for tools. Once we understand what creators do and how current tools are lacking, we can suggest design recommendations on how to best support crowdfunding creators.

Acknowledgements

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