Show Me the Money: Importance of Crowdfunding Factors on Backers’ Decisions to Financially Support Kickstarter Campaigns

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Abstract

Through the use of an online survey and supporting interviews of funders, this study explores which factors are most influential in people’s decisions to financially back Kickstarter projects. Findings suggest that Kickstarter has several distinct benefits for those who support its projects and offers them an experience that traditional production channels cannot. The results also indicate that backers typically feel involved in the process of creating the projects they support, and they are willing to take risks to see projects that are important to them come to fruition. This research helps to improve our understanding of the attitudes that drive Kickstarter funding, and it helps project creators know what aspects of their campaigns prospective supporters find most important.

Keywords

crowdfunding, Kickstarter, participatory culture, survey, interviews, computer-mediated communication

As the use of social media platforms for fundraising has grown, the crowdfunding website Kickstarter has become an increasingly popular outlet for financing independent creative projects. Rather than merely buying a product, paying to attend an event, or donating to a cause or project through traditional fundraising campaigns, Kickstarter backers can more fully experience a project through development updates from its creator or sometimes provide input on how the final product is created, both features that are not available to those who do not back a project. This increased level of participation in the creative process is an extension of the participatory culture (Jenkins, 2006) that has grown online in the past decade. Traditional means of funding give a project’s audience neither the impact on the final result that Kickstarter does nor the potential for fostering a feeling of community among backers.

Founded in 2009, Kickstarter is a for-profit company that takes a 5% fee from every successfully funded campaign ( Kickstarter, 2013). Creators using Kickstarter do not receive funds if they do not reach their fundraising goal, and the funds pledged are never transferred from the backers to the creators. Kickstarter had one of its best years to date in 2015, and projects on the site raised more than US$2 billion in pledges (Statt, 2015).

Despite crowdfunding’s rising influence, there are still issues over its uncertainties. A major concern is the lack of accountability on the part of crowdfunding sites to make creators finish their projects to the backers’ liking, or at all. For example, Amanda Palmer raised US$1.2 million (with a US$100,000 goal) for her album, Theatre of Evil, and although she completed the album, critics raised questions about how she spent the money (Jefferson, 2012).

In response to this type of concern, Kickstarter representatives contended that taking chances is necessary for encouraging creative projects that might be too risky for traditional companies and said that the backers “... decide the validity and worthiness of a project by whether they decide to fund it” (Chen, Strickler, & Adler, 2012, para 5). Although Kickstarter requires its creators to complete their projects and has provisions for backers to seek restitution, backers wanting restitution must seek action against the creators and not the site because the site is the intermediary of the transaction between the backer and the creator. That is, Kickstarter transfers funds but does not possess them (Chen et al., 2012).
Past research about crowdfunding has shown a variety of reasons backers considered important in their decisions of whether they pledged money to a project, such as feeling the projects were important to the backer or a larger society (Aitamurto, 2011; Gobble, 2012; Ordanini, Miceli, Pizzetti, & Parasuraman, 2011) or the backers’ desire to participate in the creative process (Aitamurto, 2011; Ordanini et al., 2011).

To further explore this medium, this study measures backers’ attitudes toward contributing to Kickstarter campaigns. More specifically, using participatory culture as a guide, this research investigates which factors are most influential in people’s decisions to give funds, whether the accountability policy deters backers from funding campaigns, and backers’ feelings about sharing or promoting projects that they funded.

Ultimately, the sustainability of the business model depends on creators’ abilities to communicate with their potential backers. Therefore, this research could help influence future studies by offering more specific information about what backers want in choosing which campaigns to support. In determining what makes people want to support campaigns, this research can build upon the issues raised by past studies and suggest ways for creators to more effectively promote their campaigns and tell researchers more about the logic that motivates crowdsourcing. Beyond academic research, this study has also applied lessons. Kickstarter project creators could use the information in this study to learn more about what audiences want from Kickstarter campaigns. Prospective backers could learn about what makes contributing to Kickstarter projects a different kind of experience than buying a product or making a donation through a traditional production channel.

Literature Review

Because crowdfunding has grown in popularity with the rise of social media, research about it has begun to develop in recent years. At this point, researchers have examined crowdfunding largely in two ways: as a fundraising tool for philanthropic efforts and as a business model for independent creators to finance projects. Although this study focuses on the business side of crowdfunding due to the commercial nature of Kickstarter, the philanthropic side also has value for analyzing how people respond to crowdfunding campaigns. Because both sides of crowdfunding are fundamentally based on funding for different purposes, research benefits from studying both to see how supporters of each (both nonprofit and for-profit endeavors) view crowdfunding in similar or different ways.

Crowdfunding as a Nonprofit Effort

The role of the audience as participants in creating work can be seen in nonprofit crowdfunding projects. In nonprofit campaigns, financial contributors may or may not receive physical rewards for donations; they may have only the satisfaction of donating. For some donors, this satisfaction may be enough to compel them to donate. Aitamurto (2011) examined Spot.Us, a crowdfunding site devoted to journalism. In her interviews with journalists and donors, Aitamurto (2011) found an imbalance of opinion about the subject of active consumers. Journalists felt a strong sense of connection to donors and wanted them to take a more active role in creating the stories, whereas donors did not feel connected to the journalists and did not think they had enough knowledge about the topics to contribute. Donors said they cared more about the act of funding journalism, which they felt was an important part of society, than the finished stories themselves; some said they did not even read the final products. Based on this finding, Aitamurto suggested that journalists promote their pitches as causes to best appeal to the aspect of the process that interested donors the most. Similarly, Carvajal, Garcia-Aviles, and Gonzalez (2012) said the link between journalists and donors put the audience in the role of the media gatekeeper; because audiences chose which stories to fund, they determined what information was released to the public. Participation is crucial to this idea because the audience is given more power than in traditional media models, in which the media outlets control media content. The authors argue that the crowdfunding model should be sustainable for nonprofit news, due to the direct relationship between the audience and the rising importance of nonprofit news sources, but suggest this success may depend on whether traditional media outlets adopt the crowdfunding model. Although independent journalists and nonprofit organizations are willing to relinquish some control over media content to audiences, it remains to be seen whether larger media companies will trade control for audience numbers.

Similarly, Sorensen (2012) provided an example of how audiences act as media gatekeepers. She examined data from annual reports on TV documentary films in the United Kingdom and found that crowdfunding had gained popularity as a way to fund documentaries. Consequently, Sorensen found, certain types of documentaries tended to be funded more often. For documentaries about current events and political issues, crowdfunding campaigns were popular and successful. For nature and other more expensive documentaries, crowdfunding could not provide enough money. This example suggests that when the audience determines what projects are funded, it gains editorial power. Thus, they might be inclined to fund only those projects that support their views and opt not to fund those that present opposite views.

Crowdfunding as Business

In crowdfunding business models, the audience is also the primary influencer of content, but instead of editorial influence on information, the audience determines the value of products. Although the expectations of returns are inherently different from nonprofit ventures, audience attitudes toward crowdfunded business ventures share some characteristics
with those of philanthropic efforts. Ordanini et al. (2011) examined three crowdfunding platforms for aspiring venture capitalists: Germany-based Sellaband, for funding music projects; UK-based Trampoline, for investing in a business software program (SONAR); and Italy-based Kapipal, which is akin to Kickstarter. In their interviews with these sites’ founders and managers, the authors found that campaign backers for Kapipal were strongly motivated by the desire to fund projects they felt were important. In addition to the creation of new business ventures, Smith (2015) found in his research on video game crowdfunding efforts that backers also can work closely with publishers to develop the game to include audience feedback.

Attitudes toward backer protection in crowdfunding business models also varied. The Jumpstart Our Business Startups (JOBS) Act of 2012 contained a provision formally recognizing crowdfunding as a means of commerce (Weisman, 2012). Gobble (2012) found proponents of the JOBS Act agreed that the law would help people launch new businesses; opponents of the Act contended that the laws weaken investor protection, opening backers to too much potential for fraud. Gobble (2012) argued against this latter claim, saying most project creators need to start funding through their personal social networks, which would likely catch on quickly to fraud attempts. Kitchens and Torrence (2012) also argued against the position that crowdfunding sets backers up for fraud, holding that the Act’s required disclosure of financial information to investors and the Securities and Exchange Commission would minimize individual economic losses on crowdfunding platforms.

Another important aspect of crowdfunding as a business model is that it changes traditional channels of business transactions. Balnaves (2012) examined how crowdfunding and crowd investing challenged the power of traditional banking. He argued that by using crowdfunding sites as intermediaries instead of banks, financing can be easier, faster, and more efficient for people seeking small loans and investment opportunities. The same idea can be applied to transactions between creators and consumers. Through crowdfunding, an author no longer needs to sell a book to a publishing company for the book to be released; he or she can sell the product directly to the buyer. In this model, the owner of the means of production (a publisher or studio) does not control the creation of the thing being sold (a book, film, or video game), removing (or at least decreasing) the need for an intermediate production channel.

**Sharing Projects and Participatory Culture**

Research has suggested that it is important for project backers to share information about the campaigns they backed. Kuppuswamy and Bayus (2013) examined crowdfunding contributions through the theory of the bystander effect. Based on this theory, Kuppuswamy and Bayus (2013) found that crowdfunding projects were more likely to be backed near the end of the campaign time frame because potential backers saw that their funds were needed. Creators tended to receive contributions from their friends and family near the beginning of the campaign and from strangers as the end approached, with a period of slower donation growth in the middle of the time period (Ordanini et al., 2011). They also found that projects tended to be funded by large numbers of backers, each contributing small amounts of money, rather than by a few donors giving large sums.

Leibovitz, Telo, and Sanchez-Navarro’s (2015) study also found that engagement with an audience, besides interpersonal networks, leads to a larger and interconnected crowd. Their research suggests that personal connections are important to find initial donors, but a diverse audience is more likely to back the creative project. Quality perception, rewards offered, and shared interest emerge from this type of collaboration.

As mentioned, participatory culture provides a basis for examining crowdfunding and the relationship between creator and consumer. Jenkins defines a participatory culture as one that has all of the following characteristics:

1. Relatively low barriers to artistic expression and civic engagement;
2. Strong support for creating and sharing one’s creations with others;
3. Some type of informal mentorship . . . ;
4. An environment in which members believe that their contributions matter;
5. An environment in which members feel some degree of social connection with one another. (Jenkins, 2006, p. 9)

Jenkins further explains that participatory culture shifts focus from individual expression to community involvement. Based on Jenkins’ (2006) view of participatory culture, there are four different types of participation: affiliations (memberships in online communities), expressions (fan videmaking), collaborative problem-solving (alternative reality gaming), and circulations (blogging). Leibovitz et al. (2015) also claim that participatory culture is a key concept of new media practices, including crowdfunding. They go further to state crowdfunding blurs the relationship between producers and consumers, where consumers can become producers in new sets of business organizations. Gerber and Hui (2013) argue that motivations such as collecting rewards, helping others, being a part of a community and supporting a cause are essential to choosing to be a backer.

Crowdfunding revolves around community involvement, as crowds determine the value of projects, and fulfills Jenkins’s criteria. Business intermediaries are not needed (relatively low barriers to artistic expression and civic engagement). The community shows support through funding and other contributions...
to projects (strong support for creating and sharing one’s creation). Crowdfunding sites have memberships (users have to register to post campaigns) and can look to past campaign creators for assistance (some type of informal mentorship). The aforementioned studies showed that backers felt their contributions are important to the success of the project (an environment where members feel their contributions matter), and in some cases, the backers felt a connection with the creators or a feeling of community with each other (an environment where members feel some degree of social connection). Because participatory culture demands an active consumer to have a stake in a particular situation, it can be used to guide the idea that crowdfunding is built from a series of consumers who have similar interests to participate.

**Research Questions and Hypothesis**

In trying to understand crowdfunding, researchers have found some conflicting information about what made backers want to contribute to campaigns. Some have mentioned local interests as a reason why people might consider a campaign important. Aitamurto (2011) found that people were most likely to donate to journalistic projects that affected them on a personal level. Ordanini et al. (2011) and Gobble (2012) emphasized the importance of project creators using personal social networks at the beginning of campaigns. In this stage, backers are likely to contribute simply because they are close to the creator; localism, as defined as physical proximity rather than social ties, may lead to a similar feeling of closeness. Based on these findings:

*RQ1.* How does localism influence a person’s decision to financially contribute to a Kickstarter campaign?

Kickstarter has the potential to be used as a platform for participatory culture (Jenkins, 2006), but research is conflicted about the extent to which audience members feel like participants in creating the media they consume. Past research suggests that the ability to financially back media or campaigns does not always prompt participation. Although Jenkins (2006) and Kelly, Laskin, and Rosenstein (2010) have found increased uses of audience participation and two-way communication and developed strong theoretical foundations, other crowdfunding studies have more mixed results. Aitamurto’s (2011) backers likely were not interested in participation because she examined journalistic endeavors. Rather than seeking engagement, it seemed that backers were instead seeking investigative journalism and reporting on issues of importance, such as the common good and social change. Although Aitamurto’s work posited that backers were not interested in participation, her findings concluded the reverse: the journalists who received financial support fostered a strong connection to his or her readers and sense of responsibility. Ordanini et al. (2011) found participation was an important factor, but their participants were platform owners. To further examine the role of participatory culture in crowdfunding, this study asked the following question:

*RQ2.* (a) To what extent did Kickstarter backers feel like they were part of the creative process? (b) How important is it for backers to be able to communicate with project creators?

*H1.* Backers who feel more involved in the creative process will be more satisfied with the results of the projects they backed.

Researchers have emphasized the importance of project creators sharing their projects with people in their personal social networks, as well as the importance of shares from people who have backed projects (Kuppuswamy & Bayus, 2013; Leibovitz et al., 2015; Ordanini et al., 2011). The nature of crowdfunding makes sharing information about projects crucial to the success of a project or, in the case of Smith’s (2015) research, the outcome of a project. Knowing the likelihood of sharing could give project creators a more accurate portrayal of what to expect from backers. To further determine the role of sharing and different ways of sharing, this study asked the following question:

*RQ3.* (a) How likely are people who have backed Kickstarter campaigns to share information about the campaigns with others? (b) What have backers done to promote Kickstarter campaigns?

Some scholars have found that participants were motivated by the rewards included with crowdfunding campaigns (Balnaves, 2012; Ordanini et al., 2011), but research about rewards included with Kickstarter projects is limited:

*RQ4.* How do exclusive rewards, given by the project creator, influence a person’s decision to financially contribute to a Kickstarter campaign?

Researchers have found varying opinions of creator accountability (Gunes, 2012), and the press has characterized it as a major concern in crowdfunding (Jefferson, 2012; Shahani, 2012), but little attention has been paid to whether the risks associated with crowdfunding’s limited accountability have deterred backers from contributing. To explore the issue of Kickstarter’s accountability policy, the study asked the following question:

*RQ5.* How does a person’s attitude toward Kickstarter’s accountability policy for the completion of projects influence his or her decision to financially contribute to a Kickstarter campaign?

In summary, this study examines whether localism, exclusive rewards, and Kickstarter’s accountability policy...
influence backers’ decision to financially contribute to campaigns. It aims to provide insight into the importance of backers’ involvement in the creative process, their communication with the project creator, and whether these areas are related to their overall satisfaction with the project’s final results. Finally, this research also investigates the likelihood of backers sharing and promoting projects they have backed with others. Together, these questions aim to provide a better understanding of determining factors and motivations for financially backing and supporting Kickstarter campaigns.

**Method**

An online survey and supplementary interviews were used to gauge backers’ attitudes toward their Kickstarter experiences and the factors of Kickstarter campaigns that are most influential in getting people to fund them. The study used a non-probability-based sample of people who have previously backed Kickstarter campaigns that successfully reached their funding goals. Focusing on fully funded campaigns allowed the research to have greater insight into the full Kickstarter experience rather than just the funding stage. In accordance with its privacy policy, Kickstarter (2012) does not release backers’ email addresses to third parties, so a sampling frame of Kickstarter users was not available to generate a probability-based sample. Because the intention of the research was to study the factors that compelled people to participate in Kickstarter projects, a purposive sample of people who have supported campaigns was both necessary and appropriate. Survey participants were found by a combination of convenience and snowball sampling through posts via the authors’ social networks such as Facebook and Twitter. Other outlets also were used to gather additional responses. First, project creators who had previously emailed the authors about the launches of their campaigns shared the link with their backers. Then, the survey link was shared on some Kickstarter online communities, including the Kickstarter subreddit on the social news site Reddit. Finally, in an attempt to gather even more responses from a different digital source, the link and instructions were posted on Amazon Mechanical Turk (MTurk), a site on which users are paid to complete designated tasks, to gain additional responses. Research about MTurk has suggested that it is a relatively quick and inexpensive means to obtain high-quality representative data and that are in line with more expensive techniques (Buhrmester, Kwang, & Gosling, 2011; Simons & Chabris, 2012). Again, respondents were screened using the aforementioned screening question, and after excluding responses in which it was evident that they did not back a successful Kickstarter project, 30 MTurk users responded and were given US$1 for completion. The MTurk responses exhibited similar response patterns as the data obtained from the social networks and showed no marked differences. Thus, all responses were combined for analysis.

**Survey Implementation and Instrument**

Qualtrics Web-based software was used to implement the survey, and the ballot-stuffing feature was used to prevent any person from taking the survey more than once. The survey contained a screening question, “Have you ever financially contributed to a Kickstarter campaign?” Respondents who answered “yes” were shown the rest of the questions; those who answered “no” were taken to the end of the survey.

A total of 197 people responded. Participants were told they could skip any questions they did not want to answer, but those who did not answer at least 70% of the questions were deleted (Miller, 2006), along with those who answered “no” to the screening question. Respondents who did not back a campaign that reached its funding goal would not have been able to complete 70% of the survey because most of the questions asked about the completed projects. After discarding responses that met the criteria for removal, there were 128 participants. The 22-question survey covered five main variables, and the study was approved by the Institutional Review Board at the authors’ institution.

**Variables Defined**

**Localism.** Localism was measured with one question, asking respondents how important it is to them to support a creator in the same geographic area as the backer when choosing to back a Kickstarter campaign, using a 7-point Likert-type scale that ranged from not at all important to extremely important.

**Creative Participation.** This variable was measured with two questions asking respondents the extent to which they agree or disagree with statements saying they placed importance on communicating with project creators and felt like they were part of the creative process, using a 7-point Likert-type scale ranging from strongly disagree to strongly agree. The extent to which respondents felt involved in creating the project was further examined with the level of satisfaction with the results of projects, as measured by a 7-point Likert-type scale ranging from very unsatisfied to very satisfied.

**Backers’ Likelihood of Sharing Projects.** Two questions were used to determine how likely project backers are to spread information about projects through personal communication or social media. One 7-point Likert-type scale question asked participants to rate their likelihood of sharing projects, from very unlikely to very likely, and one asked them to choose what they have done to support projects, besides contributing funds. Respondents could select all activities that apply: sharing in person, sharing through social media, trying to convince someone to back a project, nothing other than contributing financially, or an “other” option, in which respondents were asked to write in a response.
Rewards. This variable measured how much backers were motivated by the exclusive rewards offered in Kickstarter campaigns. Rewards were defined as the items offered by creators in exchange for funds and referred only to rewards expressly offered by the backer. The influence of rewards was measured with one question asking respondents how important it is to have incentives and rewards when choosing to back a Kickstarter campaign, using a 7-point Likert-type scale that ranged from not at all important to extremely important.

Accountability Concerns. This variable was measured with one question asking how important the accountability policy is in their decision to back a Kickstarter campaign, using 7-point Likert-type scale ranging from I am very unlikely to back a campaign because of it to I am very likely to back a campaign despite it.

About the Respondents

Of the usable responses (N = 128), survey participants represented 31 US states and at least five countries. The three states that were most identified as the respondents’ place of residence were West Virginia (17%), Pennsylvania (6%), and Ohio (5.5%), all areas regional to the location where the research was conducted. More respondents were male (61.6%) than female (37.6%). Nearly three-fourths, 73.6%, of respondents were between the ages of 25 and 44 years, 22% were 18–24 or 45–54 years old, and those 55 years or older represented the smallest group (3%). A majority of respondents, 73%, had an annual household income of less than US$100,000, compared to 22.4% who had US$100,000 or more. Slightly over half (53%) had a bachelor’s or master’s degree as their highest level of education completed. More than half, 56%, of the respondents had backed five Kickstarter campaigns or fewer. Among this portion, 26% said they had backed only one project. The most popular category for backing was games, with 61%, followed by film/video (35%), music (28%), publishing (26%), and art (23.4%). Nearly 60% said they have typically contributed US$50 or less, and an additional 24% have typically contributed US$51–US$100.

Interviews

Supplemental interviews provided triangulation of the research, added further context to the survey responses, and allowed for unexpected themes to emerge, which is especially important given the exploratory nature of the study. Participants were found through the professional social networks of the researchers and were selected because they were known to have backed Kickstarter projects. Eight interview sessions were conducted: four via Skype, three by phone, and one in person. Each interview lasted 25–45 min. Participants were asked to choose which means of interviewing they preferred; all interviews were recorded for transcription and analysis.

The questions presented to the interview participants reflected the questions asked in the survey but expanded on its themes. The number of questions was not concrete, as some participants spoke in greater depth about certain aspects of projects, leading to more follow-up and probing questions.

Interview participants represented a variety of demographics. All participants currently resided in West Virginia, Ohio, or South Carolina, but they had lived in other areas, including Kentucky, New Jersey, Pennsylvania, Washington, DC, and China. Five participants were male and three were female. Most were in the two common age groups among the survey respondents (25–34 and 35–44). All were college graduates. Interview participants may or may not have taken the survey. Because snowball sampling was used for the survey, it is unknown whether the interview participants found and responded to the survey through their own social networks.

Participants’ level of experience with Kickstarter varied. They had backed almost all of Kickstarter’s project categories, including art, comics, dance, fashion, film and video, games, music, photography, publishing, technology, and theater. Six of the eight interview participants had backed 13 projects or fewer, and 2 had backed only one. One participant backed 21 projects, and one backed 48. All had received the final products or seen the final results of at least one campaign they had backed.

Transcripts were analyzed using a grounded theory approach, using both inductive and deductive techniques (Glaser & Strauss, 1967). Inductive analysis allowed natural themes to emerge from the participants’ answers, and these themes were then grouped into categories, which were used to further organize participants’ responses. Deductively, categories were compared to the previous literature, the variables considered in the research questions, and the data from the survey responses to determine whether the recurring themes of the interviews supported those found in these areas. Care was taken throughout the process to ensure that preconceptions from these areas of information did not influence the formation of the emergent categories (Miles, Huberman, & Saldana, 2014). Ultimately, triangulation by comparing the interview and survey data provided more valuable insight into the research questions than would be gained from using only one method.

Results

This study used descriptive statistics and correlation analysis for the survey data and a grounded theory/thematic approach for the interviews. All analyses were performed in SPSS v.22.

RQ1. How Does Localism Influence a Person’s Decision to Donate to a Kickstarter Campaign?

Localism referred to how important it was to the backers that the project creator was from their local (geographic) areas. Survey participants largely rated localism as unimportant, with
58% (74) choosing one of the three negative response options. Most notably, 36% (46) answered *not at all important*, and it was, by far, the most popular response. Conversely, only 21% (27) chose one of the three positive answer choices. Others, 20.5% (26), selected neither unimportant nor important. Thus, based on the survey, the project creator being from backers' local areas did not seem to be a major factor in their decisions to donate ($\bar{x} = 2.88$, standard deviation $[SD] = 1.80$).

Interview participants tended to value localism more than survey respondents. Some participants found it important to support projects that brought arts into their communities and may not have received funding without Kickstarter. A backer of 13 projects said, "...I'm from [Columbia] South Carolina and the arts aren't supported very well by our leadership and our government, so it's something that we have to do from the ground up." Others, however, were motivated only by the type of project and their interest in it or decided to back a project because they knew the creator. Among the participants who were not motivated by localism or had not backed projects based in their local areas, most said that the local factor could make them more inclined to contribute to a project if that project still fit within their interests. For example, one participant who had backed 21 projects said he supported one local project because "... It was basically folklore, and I love West Virginia, number one, and number two, folklore; I just love folklore so much."

### RQ2. (a) To What Extent Did Kickstarter Backers Feel Like They Were Part of the Creative Process? (b) How Important Is It for Backers to Be Able to Communicate With Project Creators?

This question was explored by measuring respondents’ levels of agreement on two variables: (1) how important it was that respondents are able to communicate with project creators, and (2) how involved respondents felt in creating the projects they backed. Overall, respondents felt involved in the process of creating the projects they backed, as shown in Table 1. A majority, 72% (89), agreed to some level with the statement that they were involved in the creative process when they backed a Kickstarter campaign. More than two-thirds, 67% (84), said it was important, to some extent, that they are able to communicate with creators when they back a project, compared to 16% (20) who disagreed that this communication was important.

Unlike the survey participants, the interview subjects were mixed about how involved they felt in the creative process when they backed projects. The backers who felt most strongly that they were part of creating the project had backed projects in which the creators directly asked backers for creative input, such as backers of a computer game being asked to vote on gameplay elements. Others looked at Kickstarter as more of a funding tool than a platform for collective intelligence. One participant referred to Kickstarter as "just a way to collect funds" and "[not] a think tank kind of thing." Interview participants were more similar to survey respondents in their views on communication with project creators. Although few engaged in direct communication with creators, they appreciated the project updates because the updates let them know the project was being completed.

#### H1. Backers Who Feel More Involved in the Creative Process Will Be More Satisfied With the Results of the Projects They Backed

The hypothesis was tested using a correlation analysis of respondents’ level of agreement with the statement that they felt involved in creating projects and level of satisfaction with the results. The correlation was moderate, positive and significant, $r_{125} = .316, p < .001$, thus supporting H1. This finding supports the idea that backer participation in the creative process can be a determining factor for their decisions to contribute to Kickstarter campaigns.

### RQ3. (a) How Likely Are People Who Have Backed Kickstarter Campaigns to Share Information About the Campaigns With Others? (b) What Have Backers Done to Promote Kickstarter Campaigns?

For the survey, a 7-point Likert-type scale, ranging from *very unlikely* to *very likely*, was used to measure respondents’ likelihood of sharing projects. Respondents were given five
options for what they did to share projects, including an “other” option in which they could write in an answer, and were instructed to select all methods of promotion they had used. Findings indicate that participants were interested in participating in the funding process by sharing projects with their audiences on social media sites (X = 4.98, SD = 1.76). A majority of respondents, 69% (82), was at least somewhat likely to share projects via social media after backing them, versus 22% (28) who answered in the unlikely categories and nearly 9% (11) who were undecided.

When asked more specifically what they actually did to share the projects, respondents were nearly equal in their use of person-to-person communication and social media as ways of sharing projects. Nearly three-quarters, 74% (95), said they have told someone about the project in person. Almost as many, 71% (91), said they have shared projects on their social media pages after backing them. These numbers suggest that although social media has great potential reach, backers of Kickstarter projects also place a high value on the more direct and personal communication. Respondents were not as likely to actively try to convince others to back projects, with approximately 48% (61) saying they had tried. The backers surveyed seemed to be more comfortable with simply sharing, rather than trying to convince. Very few backers said they had only contributed money or chose the “other” option. Those who chose “other” most commonly said they had shared projects on Internet forums, which they distinguished from social media.

The interview participants all said they were likely to share the campaigns they had backed with others through both social media and person-to-person communications, such as emails and simply telling another person about a project. Regarding social media’s role in Kickstarter campaigns, a participant who had backed three projects said,

“I’ve got friends in every major city in America—social is really the way I keep in touch with that community. So for me, just putting it out on social repeatedly, “Hey, we’ve got five days left and we’re this close to the goal,” I think that, for me, is even more impactful than telling my close circle of friends.

One backer noted a more direct approach when sharing information about a project:

I think it’s beneficial on both sides. If it’s somebody you have a personal relationship with, you can connect more directly and send them something more personal . . . but they want to do it in the easiest way possible, and the easiest way possible is to hit “share.”

Together, these ideas demonstrate that it is important for Kickstarter project creators to connect with their personal social networks to obtain initial funding (Kuppuswamy & Bayus, 2013), as well as to spread the project via social media to reach enough of an audience to successfully fund the project.

**RQ4. How Do Exclusive Rewards, Given by the Campaign Starter, Influence a Person’s Decision to Donate to a Kickstarter Campaign?**

Participants rated the importance of the Kickstarter-exclusive rewards that creators usually include with their projects fairly high (X = 4.02, SD = 1.83), as 54% (69) rated them as *somewhat important* (30.5%), *very important* (19.5%), or *extremely important* (4%). A total of 39% (49) placed rewards in an unimportant category, with the *not at all important* category earning the most responses on this end of the spectrum with 14.8% (19). Others, 7.8% (10), did not have an opinion. These data suggest that backers are at least somewhat attracted to the exclusive rewards that come with Kickstarter projects.

Interview participants were not as motivated by rewards as survey respondents. For most, rewards were not an important factor in their decision to back a project, but for some, the rewards were an incentive to contribute a higher dollar amount. For example, a backer of one project said she increased a pledge for a film project to get a copy of the final movie instead of just a t-shirt.

Another factor some interviewees liked about rewards was their exclusivity to Kickstarter. Backers felt rewarded for their contributions when they received Kickstarter-only parts of the project or saw the exclusive status of some backer rewards as a reward for the risk of backing a Kickstarter project:

I really do like some type of exclusivity as a reward for being a financial backer. Just because there’s no guarantee for delivery, so I feel like they have to offer something extra, whether that’s a significant discount on the product or extra add-ons or exclusives not available elsewhere.

Although several participants were motivated to contribute or to contribute higher amounts because of rewards, some saw rewards as inconsequential. In backing a campaign for a musician’s new album, one participant who had backed three projects said he liked the project’s rewards but was more concerned with supporting the arts:

It’s kind of like my donations to PBS. I don’t do it for the rewards. The rewards are nice, but I do it for a different reason.

Based on the interview participants’ thoughts, rewards do not hold exceptional importance for many Kickstarter backers, although for some they provide incentives to contribute to the projects and make backers feel like their contributions were unique and more meaningful than if they had purchased a retail product. However, rewards on their own may not be enough to draw backers. Some backers need more intangible, goal-focused reasons to decide to fund projects. It should be noted, however, that in the one-on-one communication setting of an interview, participants may be less likely to say rewards are important because they do not want to seem self-serving than in a confidential online survey.
RQ5. How Does a Person’s Attitudes Toward Kickstarter’s Accountability Policy for the Completion of Projects Influence His or Her Decision to Financially Contribute to a Kickstarter Campaign?

Figure 1 suggests that survey participants were largely unaffected by Kickstarter’s accountability policy in terms of whether it dissuaded them from backing a project. A majority, 61% (78), said they were likely, to some degree, to back a campaign, despite the limited accountability Kickstarter has in seeing that projects get completed and the fact that Kickstarter cannot give refunds or other restitution to backers when creators do not complete or only partially complete their projects. Only 24% (31), to varying degrees, said they were unlikely to back projects because of the policy. Thus, the accountability policy does not seem to matter to most backers who were represented in the survey.

Overall, the interview participants were likely to continue using Kickstarter despite its limited accountability for projects that are not completed. These findings are consistent with the survey data, although some interview participants voiced concerns. A few backers said the policy would not prevent them from using Kickstarter, but it would affect the amount they would pledge or the project type they would back. A backer of one project said that the accountability policy “makes me think I’m really sure I’m not ever going to give money to someone I don’t know, who I don’t know who will finish a project . . .” Other participants said that despite these issues, they trust Kickstarter’s name because of the successful and high-profile projects that have been funded through the site. One backer of 11 projects added that he would be more likely to trust Kickstarter than other crowdfunding websites because of its reputation. Perhaps more idealistically, one backer of three projects viewed Kickstarter more as a charitable than commercial platform, saying, “I’m not looking at it from a commercial investment. I’m looking at it as more supporting local music or charitable contribution. I look at this the same way I do making a donation to PBS or the Red Cross.”

Although backers saw the potential for problems with the accountability policy, they did not feel like the policy needed any significant changes, saying that limited accountability was necessary for Kickstarter to operate and placing the burden on prospective backers to research the creators of a project and examine the details of it when deciding whether to contribute.

Discussion

Using an online survey (N = 128) and supplementary interviews (N = 8), this study explored factors of Kickstarter projects to determine which aspects were most important to backers’ decisions to financially support projects. The research suggests that backers have different fundamental views of Kickstarter’s purpose. Some see it as a way to support small or nonprofit efforts, while others look to Kickstarter as a place to obtain products being made by businesses. For any Kickstarter creator, the data suggest some factors to consider when launching and carrying out a campaign.

Localism was not too important to backers in the survey portion of the study, which is contrary to previous research. Crowdfunding participants in Aitamurto’s (2011) study were primarily motivated by feeling that the journalistic projects on Spot.Us were important to the cities in which they lived. In this instance, however, localism may have differing influence based on the type of project being backed. In this study, the most popular categories among backers were games and film/video, both of which are less likely for location to matter because rewards for these kinds of projects can be delivered digitally or by mail.

Although localism was not as important to the survey respondents, a theme emerged from the grounded theory approach that localism can be a part of forming strong personal ties (Granovetter, 1973), which especially emerged from the interviews. Backers developed strong ties to campaigns when they felt that projects were important to some
kind of community to which they belonged, particularly when they discussed their favorite projects, such as a respondent who loved folklore. For some, the community was a physical place, such as in Aitamurto’s (2011) study of backers who wanted to support projects in their local cities. For others, the community derived from perhaps a different type of common association other than localism, mutual appreciation for the creator, subject, or project type, and the work was accessible to anyone regardless of geographic location. Like the participants in Sorensen’s (2012) research, some respondents were brought together as project backers based on enthusiasm for a filmmaker, actor, musician, or game developer. For creators, this finding highlights the need to emphasize the communal aspects of projects, whether they are working to improve a geographic community or a creating something for a large fan following. In addition to the aforementioned factors, future researchers may want to consider the possibility of a backers’ home nation being a determining factor in decisions to financially support campaigns.

Backers also wanted communication from the creators throughout the process. Following the findings of Kelly et al. (2010), backers’ desire for two-way communication is reflected in their strong agreement that the ability to communicate with and receive updates from creators was an important part of their Kickstarter experience. In following campaigns from start to finish, participants in this study felt like part of the process of creating projects. Jenkins (2006) and Jenkins and Deuze (2008) view participation in the creative process as part of a participatory culture, in which content creators and audiences collaborate to reach a common goal. The results support this theory, as they demonstrate a desire for audiences to help create the things they want to experience, and many backers felt like they had some influence over how the final product turned out.

Another important consideration for creators is that the feeling of being part of the creative process had a positive impact on backers’ satisfaction with the final results of projects, as shown by the moderate, positive correlation between feeling involved and satisfaction ($r = .316, p < .001$). The ability to involve backers in the creative process can be a unique selling benefit of Kickstarter over traditional distribution platforms.

In support of the findings of Ordanini et al. (2011) and Kuppuswamy and Bayus (2013), this study suggests that it is crucial for project creators to use personal connections to start their funding. Many backers cited knowing creators as a strong motivating factor for contributing. Given the number of respondents who had also backed one to three campaigns, it is likely that a substantial portion of them only backed projects because they knew the creators. Creators who are well known in their fields can likely reach their funding goals without a large group of personal connections as backers, but the majority of Kickstarter creators need the support of people they know to help reach their funding goals.

In addition to needing personal connections to share projects and gain momentum in the funding process, project creators need to use multiple methods of sharing projects and encourage their backers to do the same. Because participants found individual communication to be about as important as sharing projects on social media, the focused attention of one-on-one communication is as important as social media’s ability for many people to read about a project.

The influence of community also demonstrates the role of participatory culture in crowdfunding. Many successful Kickstarter campaigns have been driven by fan communities, be they fans of a specific work or a broader category of things. Fan communities are part of a participatory culture because they encourage social interaction among members (Jenkins, 2006). Kickstarter allows fan communities to further expand because it enables them to have social interaction with project creators. This way, fan groups can turn their topics of conversation into real results by conveying their ideas and desires to creators. Through its support of social interaction between creators and backers, Kickstarter cultivates a community of funding and creating (Jenkins, 2006) that shows how two-way symmetrical communication benefits both sides (Grunig & Hunt, 1984).

Participatory culture is further demonstrated by the importance of sharing projects. One of Jenkins’s (2006) factors of a participatory culture is that it recognizes members for their contributions. For Kickstarter backers, sharing is an important contribution, and they will likely find greater recognition for their sharing than they would through traditional forms of financial support. In addition, backers are encouraged to share projects they have backed with their friends and followers on social media. Not only does this encouragement help creators spread knowledge of their projects, it also allows backers to be recognized for their contributions, increasing the feelings that these contributions matter (Jenkins, 2006).

Overall, although rewards were not always a major factor in whether a person chose to back a campaign, they were appreciated. Like the ability to get involved in the creative process, rewards are a unique benefit of crowdfunding, compared to traditional means of productions. When shaping their pitches to prospective backers, project creators should emphasize the exclusivity of their project rewards as a distinct part of the Kickstarter experience.

Backers’ acceptance of Kickstarter’s accountability policy is positive for creators, but it does not free them from the responsibility to deliver their campaign promises. It benefits Kickstarter and prospective creators because it makes the site accessible for those new to crowdfunding or to their fields by removing barriers to entry (e.g., a band funding its first recording). Backers are willing to take risks by supporting Kickstarter projects, so the barriers to entry for creators are fairly low and the viability for innovative and non-mainstream projects is high. The accountability policy, however, gives some backers reservations.
As shown in Kickstarter’s history, controversies over the ways in which some campaigns were carried out and distributed have not kept projects from being successful (Grow, 2014; Jefferson, 2012), and uncertainties about backer protection have not kept projects from obtaining larger pledge amounts (Shahani, 2012). Large numbers of backers felt that these projects were worthy of their pledges, so it is apparent that people are willing to take financial risks on Kickstarter. To maintain the positive view most backers have of Kickstarter, however, creators need a realistic view of what they want to do, how much money they need, and a project pitch that shows backers what the final result will be to let backers know they have a solid vision of how the project will be developed.

**Strengths, Limitations, and Future Research**

A key strength of this study is its connection between theory and practice, specifically its potential for immediate applicability to Kickstarter campaigns. By the very nature of crowdfunding, audience contribution is essential to the sustainability of the emerging business platform. This research will help project creators learn how to best shape their project pitches and communications in ways that will stimulate potential backers’ interest and encourage current backers to spread the word about the campaign to others. Another strength is that the study had a diverse population of participants, as survey respondents represented 31 US states and five foreign countries, and interview participants lived or had lived in numerous states. The ages of the survey participants were diverse as well, and the ages of the interview subjects represented the age groups that were most common among the survey respondents. Respondents’ income and education levels varied, and no group was under- or overrepresented. The only disparity in the demographics was that there were 30 more men than women in the 128 valid survey responses. This issue could likely be corrected with a larger number of participants.

The study is limited because it focused only on successfully funded campaigns that reached their final results. The questions were written to explore participants’ reasons for support and satisfaction with the campaign results. Backers who have supported campaigns that were not successfully funded and/or unfinished might view the campaigns differently than those who funded successful projects. Other crowdfunding platforms, such as Indiegogo, DonorsChoose, and GoFundMe may warrant investigation, as they may yield different results with a similar study. Future research might also compare Kickstarter as a platform of contributing to a project directly to traditional means of funding or purchasing. In addition, its results cannot be generalized to a larger population of Kickstarter backers because a non-probability sampling method was used. Because Kickstarter (2012) does not release backers’ email addresses to third parties, a sampling frame of Kickstarter users was not available to generate a probability-based sample. Furthermore, the number of people surveyed (N = 128) could have been higher, so replicating it with a larger sample would provide even more insight.

Localism, in particular, warrants further exploration with another method of sampling. Localism was not too important to some backers in this study, but its limited importance may have been affected by the sampling method. Convenience/snowball sampling might have led to an unusually high number of respondents who had backed projects in games, film/video, and music, which are inherently less likely to be important to a specific location than performance-based categories like theater and dance. For example, one interview participant stressed the importance of funding arts projects to benefit the city she lived in, while others, who primarily backed games, considered localism unimportant. Thus, a stratified sample of survey respondents or a more purposive sample of interview participants could be used to measure the importance of localism across all project types. Finally, future research could examine the factors that have made Kickstarter projects unsuccessful or the aspects of Kickstarter that might dissuade prospective backers from using it.

In conclusion, despite some limitations, this study adds to existing research on crowdfunding by looking at some individual factors (i.e., creative involvement, communication, accountability policy, local geographic area of the project, exclusive rewards) that influence backers’ decisions to support Kickstarter projects. It also provides insight into how backers’ feel about sharing information and promoting a project that they have backed with their social networks. The results suggest which aspects of Kickstarter projects most determine whether people will contribute as well as those that do not matter, which has important implications for the success of future projects. This research works with existing crowdfunding studies to create an increasingly larger and more in-depth body of work seeking to understand this emerging, exciting field.

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