

The world is constantly changing and evolving, and so is the way in which we go about in our daily lives. One of the major changes worth mentioning is our quest for independence, the need to work for ourselves and make our dreams a reality. Thanks to Kickstarter, we can go about following our dreams, create new ideas, and share them with the outside world, provided they support us of course. However, this new method of crowd funding support has caused quite a controversial stir, especially in the games industry.

But what is Kickstarter exactly? How does it work? Who is it for? And most of all, what does this new way of marketing mean for the future of the games industry?

Kickstarter is an online tool that helps people fund their own creative projects, by allowing them to come out with a new idea, publicly announce it, and seek investment from the public. In the process, they form a community of support around their product, giving them the opportunity to create and develop



something that would otherwise probably be difficult to release into the world. Any type of project can be created and funded. These ideas range from anything like films, video games, music, photography, theatrical pieces, or even comic books. There is very little limit to people's creativity.

The idea behind this online crowd funding tool was conceived by Perry Chen back in 2002, who thought of a way to enable people to raise money for their ideas without risk.

This idea blossomed and eventually became a reality when the official Kickstarter site was launched in April 2009.

However, the marketing model that Kickstarter is based on is quite old, dating back to ancient times, when artists and musicians went straight to the public in search of funding and support. Clearly this well known strategy has worked out in the past, and has been updated to suit the modern world.

Traditionally, people go into a shop, browse at things they like, hold them, touch them, and if it impresses them, they pay for it. With Kickstarter, the consumer has to put their money down upfront for an item that doesn't quite exist yet, and if they eventually receive something that they don't like, what then? Perhaps a closer look at how Kickstarter works might elaborate this a little more.

Creators think of an idea or project that they would like to develop. They approach Kickstarter with their idea and wait for it to be greenlit, before they create a promotional video to tell the public what their creation is all about, thereby publically announcing it. Thereafter, the creator sets a target goal of how much money they wish to raise and a deadline in which to reach that target. Various tiers of payment are setup, allowing the backers of the project to choose how much money they wish to pay. Rewards are also setup by the creator, so that for each payment tier there is a different reward given to the backer. This ensures that the more money the backers pay, the higher the reward for them.

If the deadline is reached and the money requested (and more) is received, the

The screenshot shows a Kickstarter campaign for 'DOUBLE FINE ADVENTURE'. The main image features two cartoon characters flying through a bright, sun-like background. The text 'DOUBLE FINE' is at the top and 'ADVENTURE' is at the bottom. A 'PLAY' button is overlaid on the image. To the right, a statistics box shows 87,142 backers, \$3,336,371 pledged of a \$400,000 goal, and 0 seconds to go. Below this, the funding period is listed as Feb 8, 2012 - Mar 13, 2012 (33 days). The project is by Double Fine and 2 Player Productions, located in San Francisco, CA. It shows 2 creators, 0 backers, and a note that it has not connected Facebook. The website is listed as doublefine.com.

project is labelled as successful, and only then will the backers' accounts be deducted. Alternatively if the monetary goal is not met by the set date, none of the backers are charged and the project is deemed as a failure. For each successful project, Kickstarter will take a 5% cut of the total money raised. Since Amazon handles

all money transfers, they too take a small cut, which is less than 5%.

Now this may all seem like a perfect win-win situation – if the project fails to get funded, the backers are not charged a dime and the creator walks away without having lost much. However the real risk comes when a project is indeed a success and goes ahead as planned. For instance, perhaps a developer might have underestimated their funding and fail to deliver their project halfway through the development process. Alternatively, the backer might not receive all that was promised to them and they could end up disappointed and feel what they got was not worth the money they laid out. The main problem sponsors have is the issue that the funding is done before the project has even begun development. Therefore, it may all sound like a risk free strategy for the creators, but for the consumer it certainly is full of risks. It almost looks like the seller and buyer have traded places in an economical sense.

It seems it all lies in the backers' own personal judgement, and that is also why Kickstarter advises backers on their FAQ site to only back what they truly believe in. Developers of projects are also urged to keep their community up to

date via video or email updates, creating a personal relationship between themselves and their backers, thereby creating a higher success rate of their project.

Since its official launch, Kickstarter has managed to raise a whopping 850 million dollars, spanning over more than 50,000 successful projects. These were all backed by more than 5 million people. However, Kickstarter has an average success rate of just over 40%. So what makes an idea great enough to rake in a seven figure income? Perhaps a quick look at the top three campaigns might reveal an answer.

Pebble Smartwatch is so far the most successful Kickstarter campaign. It managed to pledge 10 million dollars! Even though it's not the first smartwatch to appear, the reason for its success is its simplistic, minimal design, cheap price, and the Android and iOS support that comes with it. The company behind *Pebble*, Allerta, also have a proven track record for making previous smartwatches.



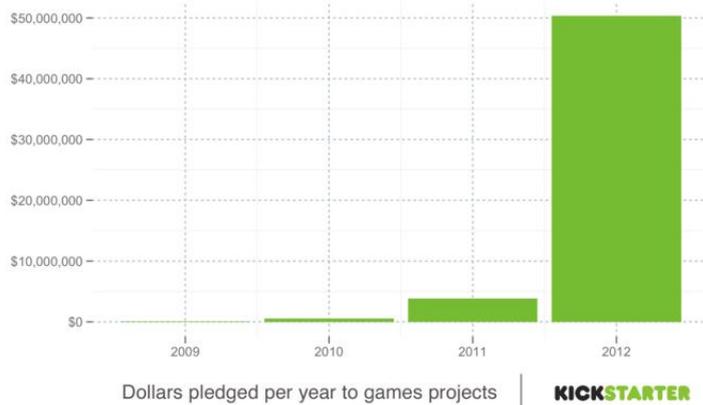
The *OUYA Console* is also amongst the highest grossing pledges, raking in over 8 million dollars. Although a newcomer to the land of consoles, it appears to be a competitive rival, mainly because it's cheap and small. But probably the biggest reason for its success is that the *OUYA* is moddable, allowing users to easily upgrade the device when they want, and how they want. Furthermore, gamers can also easily become developers and create their own *OUYA* games using the *OUYA SDK*, and publish their creations without paying any ridiculous fees.

Oculus Rift pledged over 2 million dollars on Kickstarter for their funky new virtual reality headset. Reason for their success is probably mainly due to the fact that it is being endorsed by so many popular people in the games industry. Besides the fact that virtual reality is the next logical step into the future of gaming, if you look at who has a say and stake in the development of the *Oculus Rift*, people like Valve's Gabe Newell, id Software's John Carmack, and the folks behind *Unity* and *Unreal*, it is no wonder that this device has taken off in popularity.

From the above three contenders we can clearly see that the people with great ideas, original and modern concepts, and a supported community prove successful in the end. We are getting to see products that might otherwise have not been possible to create, and obviously some of these products are truly what the consumer wants. Of course one can only make the final

judgement when the product ships, but until then, it is clear to see that innovative ideas make for products that have a reason to fit in the modern world.

To focus more on the effect of Kickstarter in the games industry, let us now take a look at what has been happening within the video games category of



this popular crowd funding site. During the year 2012 a sudden surge of backer funding went towards video games, with a total of over 50 million dollars being invested, making the games category take in 23% of all Kickstarter funding.

Now that figure is pretty impressive compared to a

year before when only 3 million dollars were raised. Why the sudden peak? And what does this mean for the future of the games industry?

It is safe to say that a certain Mr Tim Schafer, founder of Double Fine Productions, started this sudden rise in crowd-funded game development. In just 24 hours, his company raised 1 million dollars for a new game concept. People from all over the world paid their hearts out for a game coming from a legendary game designer, credited for games like *Monkey Island*, *Full Throttle* and *Grim Fandango*.

Not long after, other game designers and developers joined in and boarded the bandwagon of crowd funding. They saw a new method of creating games without the hassle of involving big name game publishers and failing at corporate pitch presentations. This



new way of creating games allowed for titles to appear that would otherwise have still remained as mere ideas in the creator's heads.

But if we delve a little deeper, we can see that two categories of developers have suddenly emerged out of the woodworks, and they both deserve some closer attention.

It appears that Kickstarter may have brought popular game designers from yesteryear back to the frontline, to reclaim their former glory. Tim Schafer's success certainly inspired game developing veterans to turn to crowd funding

to make their ideas a success. As a result, game sequels, remakes of long forgotten titles and spiritual successors to classic games are being developed. But what does this mean for gamers? Sure, the nostalgic fans are happy, but what about the new audiences, the gamers of tomorrow?

Brian Fargo, creator of the original *Wasteland* game from 1988 managed to gather almost 3 million dollars for his sequel, *Wasteland 2*. The original RPG was so successful, that the campaign for a follow-up game proved to be a no-brainer for gamers.

Jordan Weisman collected almost 2 million dollars for his new game *Shadowrun Returns*, which is a new RPG remake of an old 1989 classic. So far the game has received many positive reviews.

The space trading and combat simulator game *Star Citizen* made an income of over 2 million dollars, and is being created by a legendary game designer Chris Roberts, known for older game classics like *Wing Commander* and *Privateer*.



Gamers with a love for deeper, story-driven adventure game titles were happy to hear that a new *Broken Sword* game was on its way, and that Red Thread Games' *Dreamfall* saga would also continue with a new game called *Dreamfall Chapters : The Longest Journey*, as it managed to gather a whopping 1.5 million dollars!

While it may seem like a dream come true for many gamers to see beloved titles of the past coming back to life, it is

still too early to tell what the overall impact of these modern revamps will be. After all, not all of these games have been released yet, so the ultimate judgement is yet to be made.

The main thing developers will need to be aware of is that they are making games for a new era of gamers as well as for devout fans, so ultimately the games must appeal to the modern age, or else it will fail.

One thing is for certain, however, and that is that Kickstarter has opened a new door of opportunity for veteran game designers and developers of a bygone age, allowing them to make a name for themselves once again.

The second category that needs more perusal is the indie gaming scene. A sudden wave of independent companies has rushed into Kickstarter territory, seeking their slice of the cake as well. Let's take a look at some of the hits, misses and fraudulent fails of some companies.

The game *Sir You Are Being Hunted* by UK-based company Big Robot raised £90,000 out of their requested £40,000. Game writer Jim Rossignol reveals the key to his game studio's success by stating, "Constantly interacting with the community and updating with news, no matter how trivial, makes it clear how excited you are about the project, and I think the community responds to that." His words of wisdom couldn't be truer. Kickstarter allows developer's direct contact with gamers, so using that opportunity and never losing touch with your supporters is vital.

Lilly Looking Through asked for a mere \$18,000 and received almost double for a mesmerising, beautifully enchanting adventure game. Upon release however, the final product seemed a lot shorter than promised. While still too early to tell the overall response of gamers, it may appear that indie studio Geeta Games has promised a tad more than could be delivered.

An indie game called *Shaker* gathered a quarter of their 1 million dollar goal before cancelling the campaign. It appears they might have, like so many other indies, set themselves too large a goal.

War Balloon's *Star Command* game managed to gather more funds than they asked for on Kickstarter, but eventually realised that they hadn't planned their budgets as well as they thought. After raking in \$36,000, they realised that after reward payouts, Kickstarter fees and taxes, they were left with a mere \$6,000.

And finally, a title worth mentioning is *Mythic : The Story of Gods and Men*, which was a game pitched on Kickstarter that was accused of stealing graphics and ideas from another company. Everything they claimed to make in the game was not their own, and after being



busted, they quickly shut their website down and cancelled the campaign.

So then, is Kickstarter an ideal solution for the indie developer? Not without a certain amount of effort it would seem. There is certainly a lot of public relations work needed, as the game needs to be convincing. Gamers nowadays will not eagerly pay for unknown games from unknown studios, especially if they haven't even been made yet. And to top it off, seeing fraudulent campaigns only makes backers wearier. Staying in touch with your community is vital in the development of your game. Kickstarter offers that freedom of communication between developer and consumer.

Bad marketing can lead to disaster. A well laid out plan is essential to a successful campaign. Developers need to be able to make a decent profit out of the whole thing. Furthermore, after all the Kickstarter rewards, fees and income taxes have been paid out, how much is left for the creator? Will they have enough to still develop their project?

A proven track record and a certain celebrity status is indeed a bonus. A small time developer starting out will have a harder time selling their product than someone who has already published a game and who has a good reputation. It would almost seem that indies need money and backing prior to using Kickstarter.

So what does this all mean in terms of the games industry? Well, for one, Kickstarter has certainly opened new doors for a more niche market of games, allowing for a diverse variety of game titles to appear. This might not entirely remove the monopoly that AAA studios have on games, but it certainly has caused a ripple in the pond. We can clearly see that not only are older game franchises reappearing for remakes, reboots or sequel add-ons, but also many independent studios are releasing some rather interesting titles we would probably never have seen otherwise.

Publishers might slowly become a thing of the past. If a developer wishes to make a game that is not deemed as popular, they can go ahead and create it and use Kickstarter to get everything funded straight from the end user. This direct communication between developer and consumer cuts out the middle man that previously stated what can and cannot be made. In addition to that, creators of the projects retain 100% ownership of their ideas and creations, meaning no intellectual property rights are lost to the publisher. Your own creativity belongs to you!

Overall, Kickstarter's future remains unclear in the long run, but for now it is changing the market of films, video games, music and so much more, and whether it grows bigger or fades away entirely, it will certainly leave behind a means of marketing and publishing we may never forget.

Useful Websites

[Kickstarter](#)

[Double Fine](#)

[Oculus](#)

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