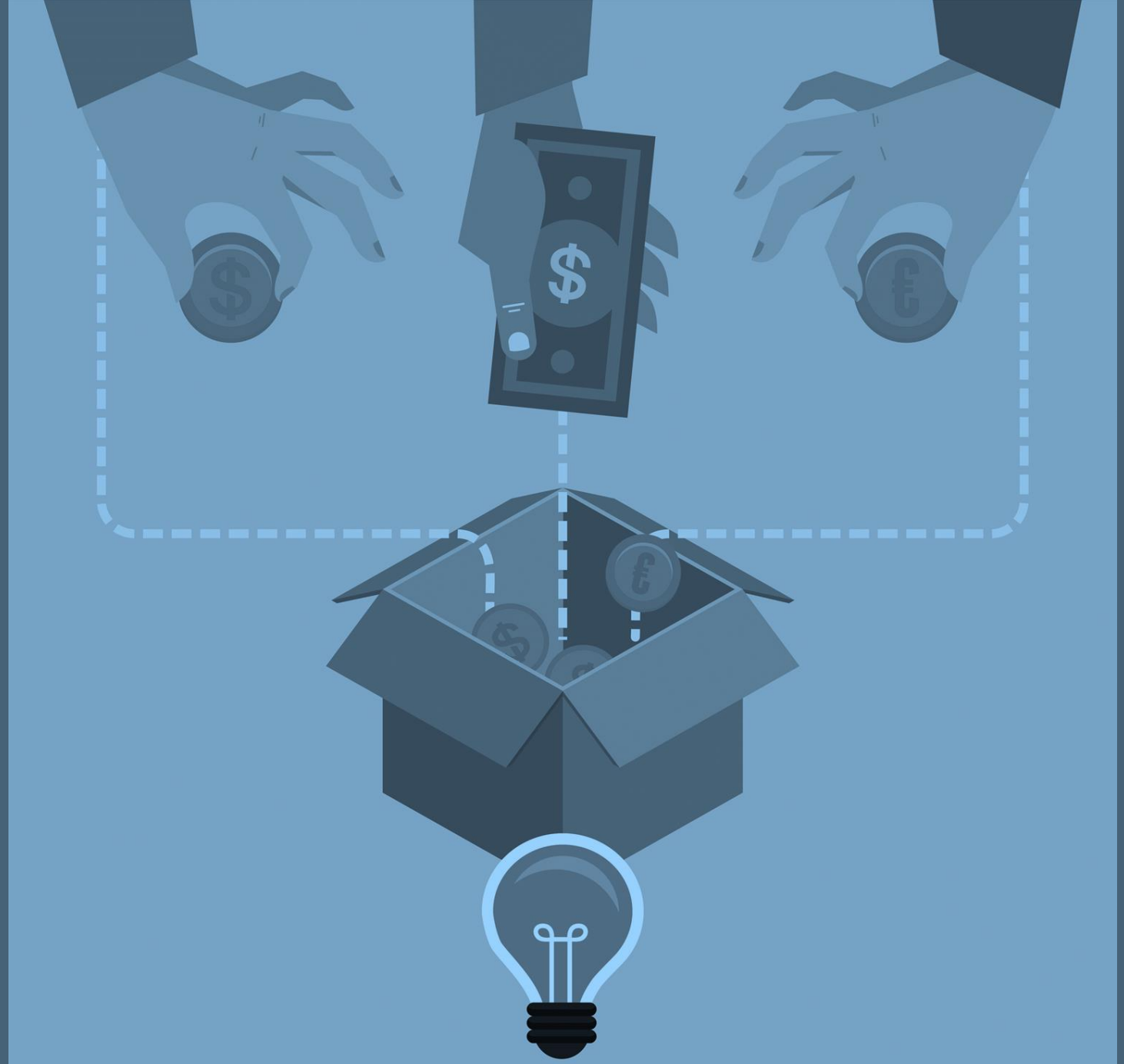

Forget the "trends"

let's get real about crowdfunding

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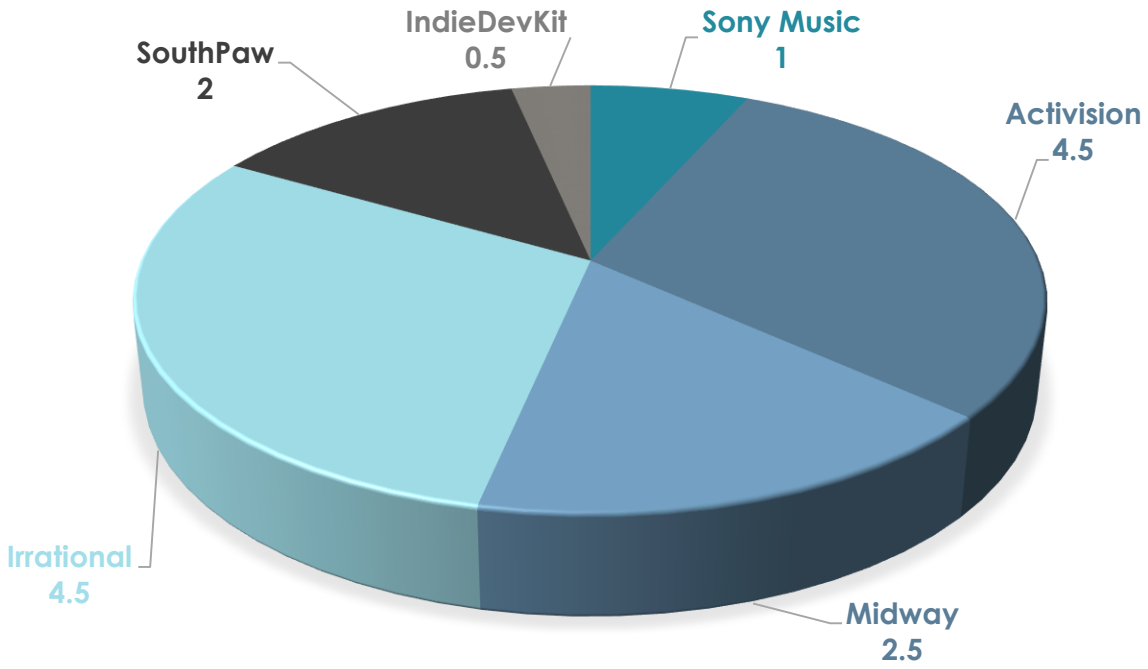
Who am I?

Leonie Manshanden

IndieDevKit, co-founder
SouthPaw Strategy

Your Speaker



~115 games

Why This Talk?

Forget the "trends"
let's get real about crowdfunding

Dismissing crowdfunding

Why Now?

Forget the "trends"
let's get real about crowdfunding

"Major projects mask general decline in Kickstarter funding"

"Kickstarter games in 2014 are making less than half what they did last year"

Expert Slams Crowdfunding As A 'Fad'

"Kickstarter's Game Campaign Pledges are on the Decline"

"Kickstarter not on the decline"

State court orders Kickstarted game creator to pay $54k for failing to deliver

"The crowdfunding bubble is not bursting"

Why this Talk? Why Now?

Forget the "trends"
let's get real about crowdfunding

"In 2013, there was a significant correlation between large projects hitting the platform and smaller projects getting more support.

Why this Talk? Why Now?

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Why this Talk? Why Now?

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"*Project creators need to successfully demonstrate a concept worth buying, or will not reach funding*"

Why this Talk? Why Now?

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let's get real about crowdfunding

"*Project creators need to successfully demonstrate a concept worth buying, or will not reach funding*"

Actual Headline:
"*Major projects mask general decline in Kickstarter funding*"

The Basics

Forget the "trends"
let's get real about crowdfunding

crowdfunding
ˈkraʊdfʌndɪŋ/

noun

the practice of funding a project or venture by raising many small amounts of money from a large number of people, typically via the Internet.

The Basics

Forget the "trends"
let's get real about crowdfunding

rewards-based

e.g. Kickstarter

In 2015 – 978K+ people backed a game project

Funded projects, +14.1% YOY

Raising $133.6 million, +75.5% YOY

The Basics

Forget the "trends"
let's get real about crowdfunding

+	-
Accessible	Developed concept
Great litmus test	Business acumen required
Creative control	Partial funding
Relatively fast	Intense campaign
Community	Early commitments

The Basics

Forget the "trends"
let's get real about crowdfunding

GAME – A

- Free-to-Play Mobile Game
- Proprietary technology w/ back-end mining
- Innovative social game design
- Seasoned team – 3rd game
- Existing community

300K budget

self-funding (20%)

venture capital (80%)

The Basics

Forget the "trends"
let's get real about crowdfunding

GAME – B

- Digital PC strategy game, high quality
- Single Player
- $19.99 Price
- Using licensed engine
- Seasoned team, 1st game

1 million budget
self-funding (25%)
crowdfunding (25%)
early access (50%)

Crowdfunding Success

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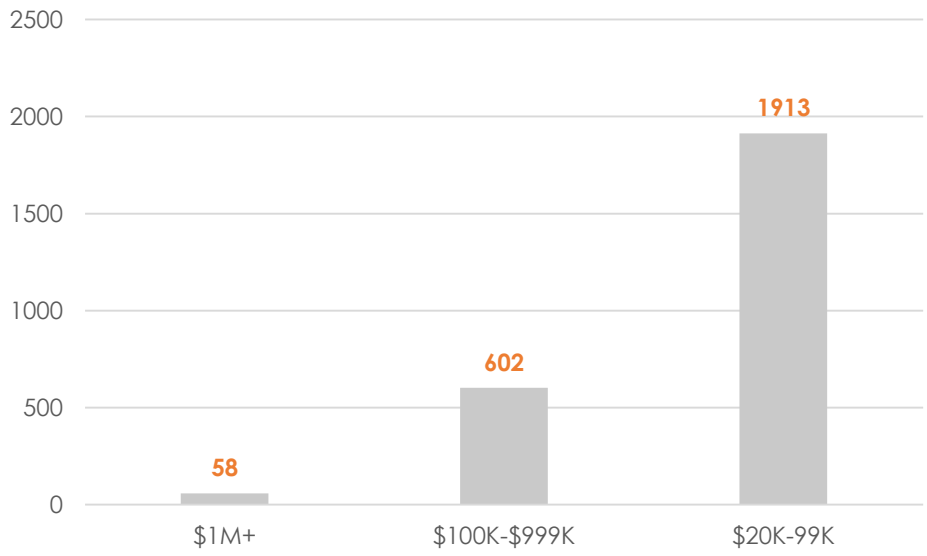
Games Category on Kickstarter:

32.84% success rate
$462 million pledged



Source https://www.kickstarter.com/help/stats?ref=footer

Crowdfunding Success

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Faster Than Light
9,818 backers
$200,542 raised
2,430,571 sold*
84 Metacritic

Shovel Knight
14,749 backers
$311,502 raised
326,175 sold*
85 Metacritic

Darkest Dungeon
9,639 backers
$313,337 raised
731,058 sold*
84 Metacritic

Wasteland 2
61,290 backers
$2,933,252 raised
506,280 sold*
81 Metacritic

Superhot
11,626 backers
$250,798 raised
124,230 sold*
84 Metacritic

* SteamSpy 3/6/2016 – does not include console sales and non-Steam sales, margin of error, bundle sales included

Is Crowdfunding Right for You?

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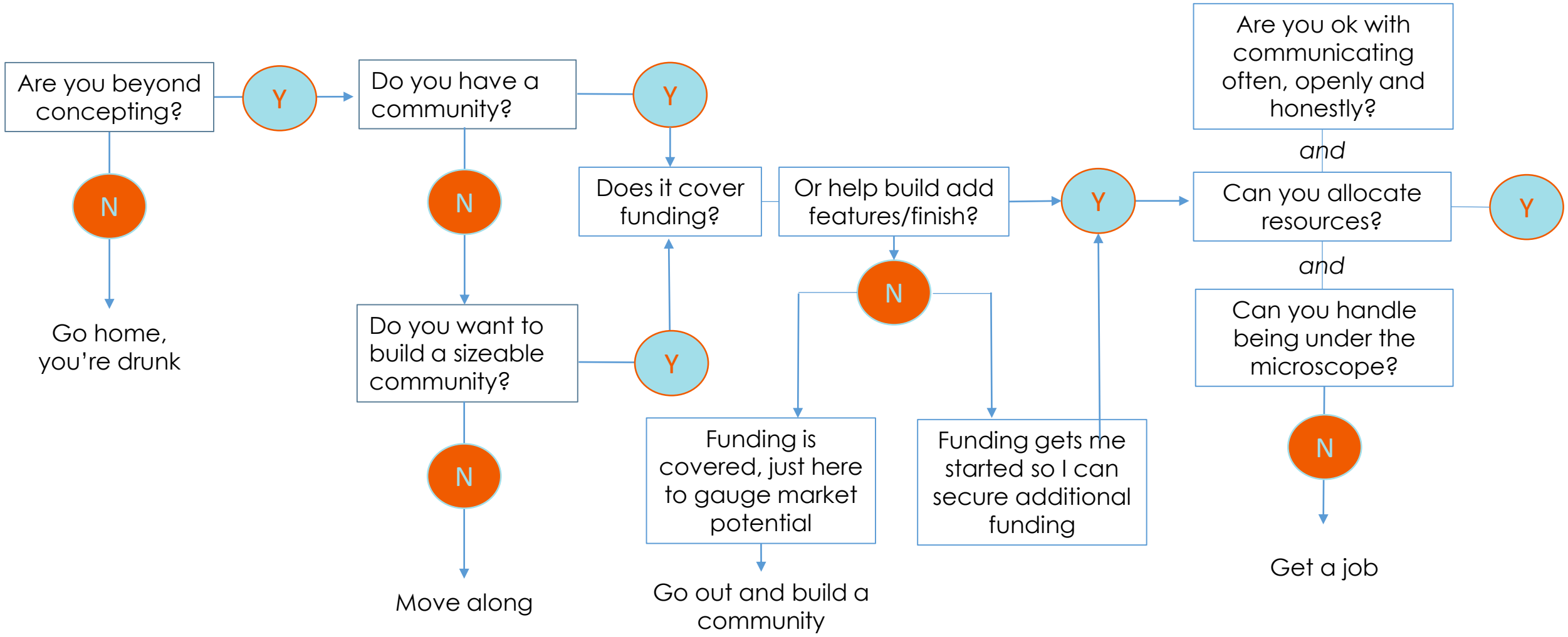

Crowdfunding is Maturing

Forget the "trends"
let's get real about crowdfunding

1. Legislation and Liability
   apply common sense and good business standards
   - Transparency
   - Bookkeeping standards
   - Reserve money for rewards
   - Read the fineprint

Crowdfunding is Maturing

Forget the "trends"
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1. Legislation and Liability
   apply common sense and good business standards
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2. Media Skepticism
   understand how media work and what makes a newsworthy story
   - Story
   - News/Timing
   - Pitching

Crowdfunding is Maturing

Forget the "trends"
let's get real about crowdfunding

1. Legislation and Liability
   apply common sense and good business standards
   - Transparency
   - Bookkeeping standards
   - Reserve money for physical rewards
   - Don't be a fraud

2. Media Skepticism
   understand how media work and what makes a newsworthy story
   - Story
   - Timing
   - Pitching

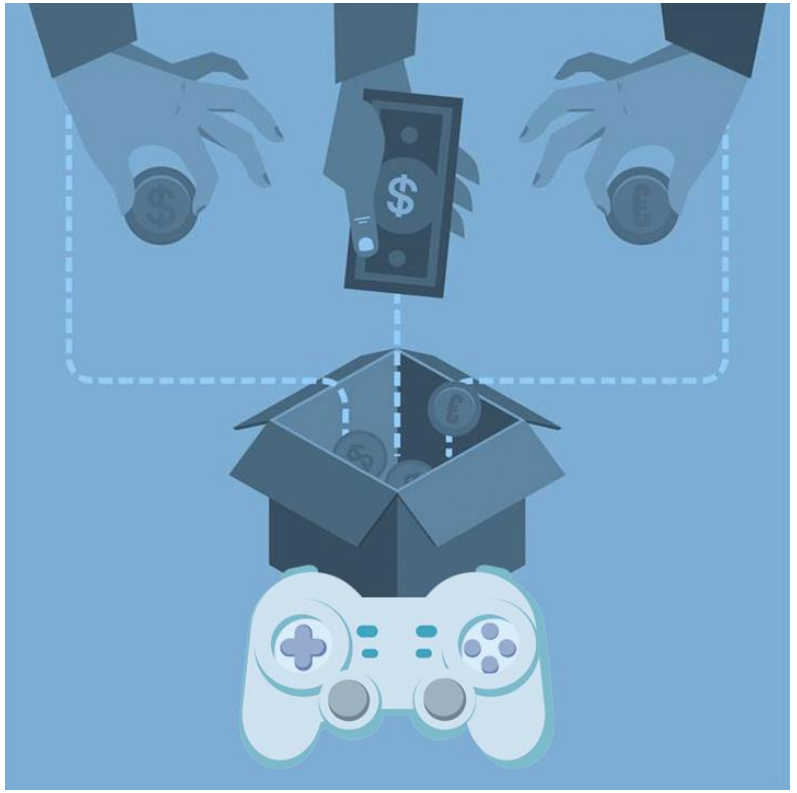
3. Savvy consumers
   make something people want → Why would anyone buy your product?

5 final crowdfunding tips

Forget the "trends"
let's get real about crowdfunding

#1 Figure out how to present your game

- Frontload your video
- Use gif's
- Ensure footage supports the messaging
- Take a QA pass
- Rewards-based crowdfunding is not charity

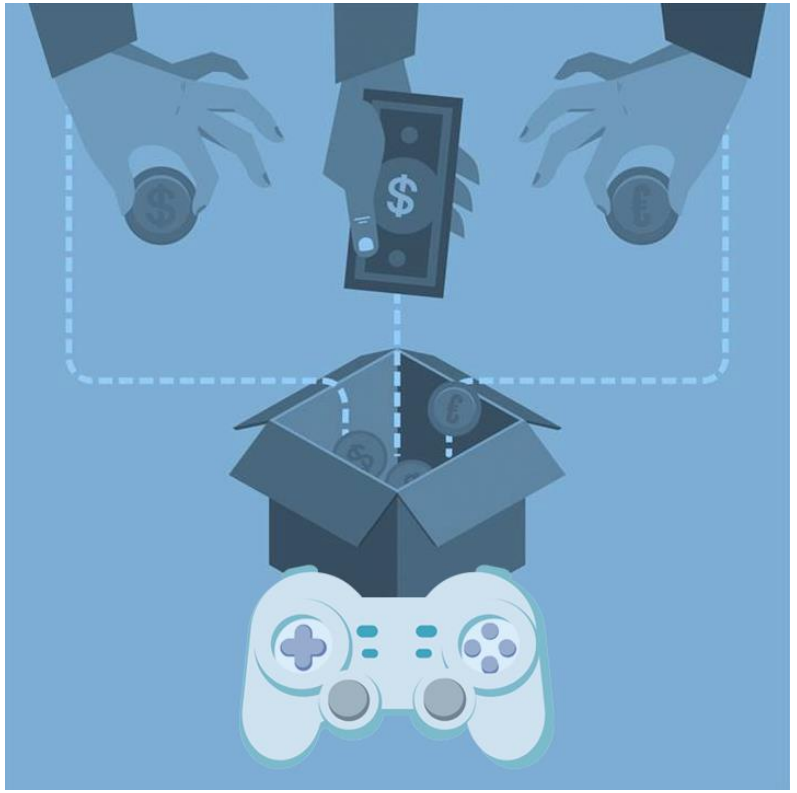


5 final crowdfunding tips

Forget the "trends"
let's get real about crowdfunding

#2 prepare, prepare, prepare

- Clear your schedule
- Campaigns are frontloaded



5 final crowdfunding tips

Forget the "trends"
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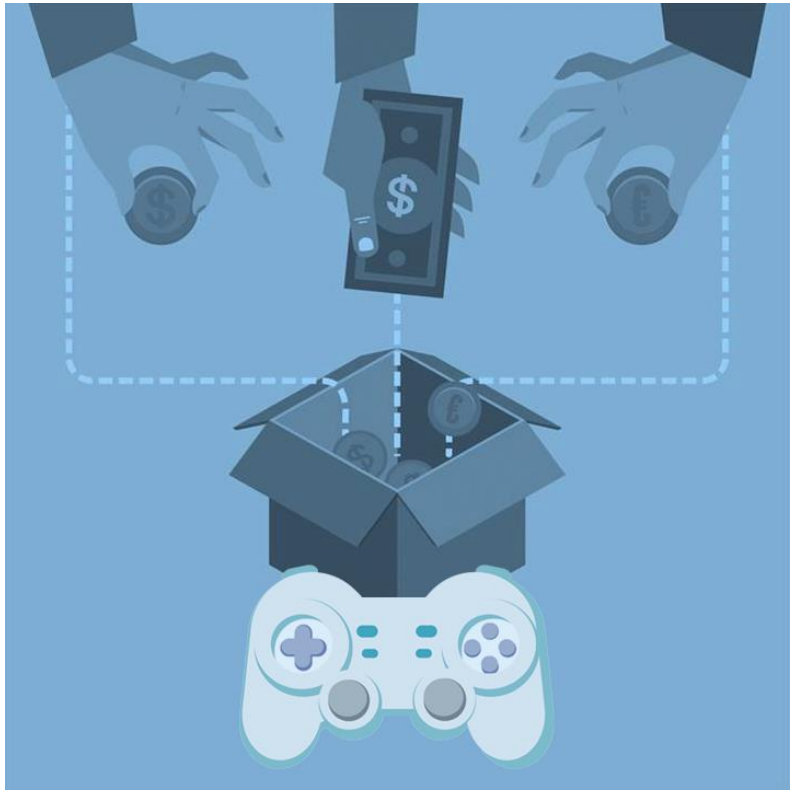
#2 prepare, prepare, prepare

- Create all assets in advance
- Have a response ready
- Don’t be caught off guard
- Plan updates



5 final crowdfunding tips

Forget the "trends"
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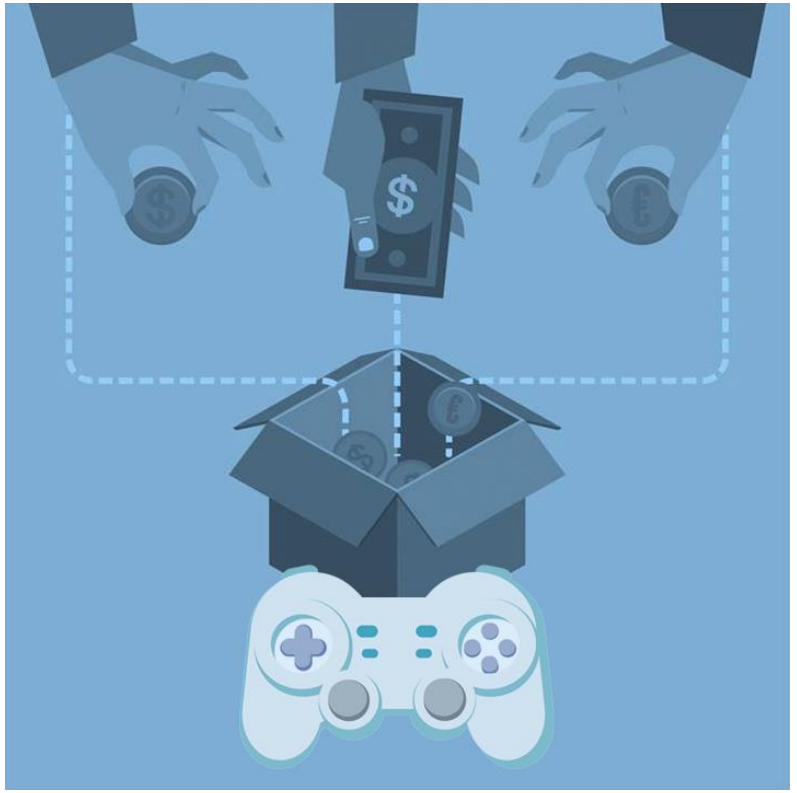
#3 don't go in cold

- Engage your community early
- Meet the press (beforehand)
- Set up your accounts
- Find partners with a common goal



5 final crowdfunding tips

Forget the "trends"
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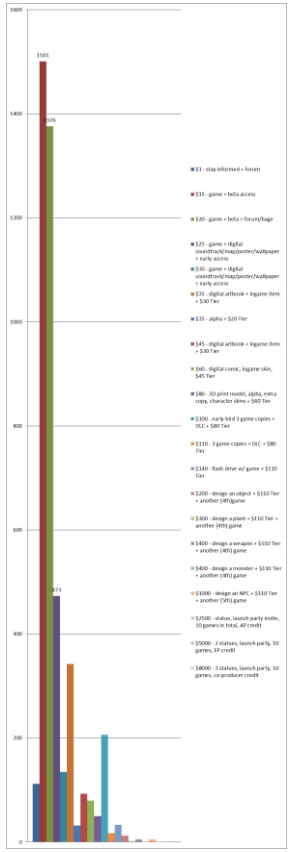
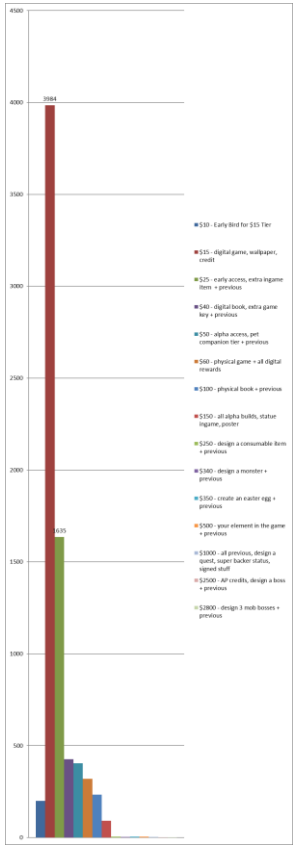
#4 Be Smart About Rewards!

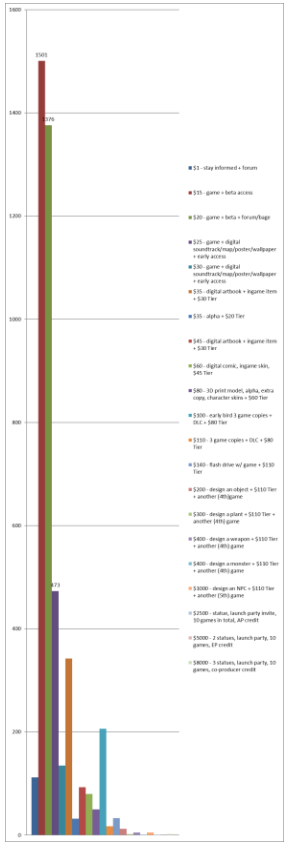
- Be cautious with physical rewards
- Get the basic price right
- Focus on Digital Goodies and Content
- Consider bundles
- Limit the # of Reward Tiers



Chaos Reborn



Heart Forth, Alicia



Earthlock: Festival of Magic

5 final crowdfunding tips

Forget the "trends"
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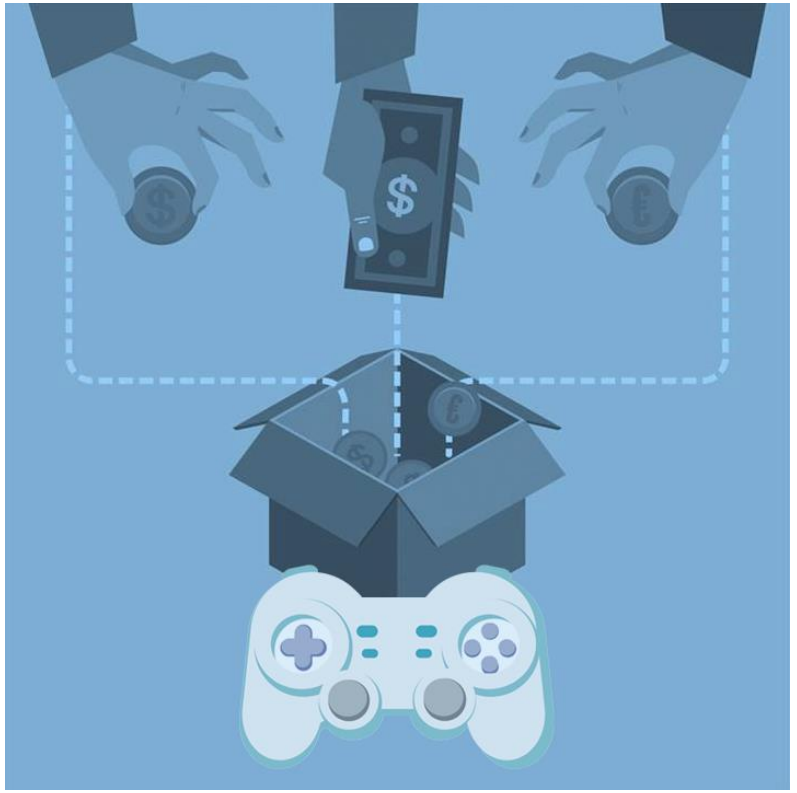
#5 know what you're getting into

- Work for hire agreements
- Existing agreements
- Terms and conditions
- Consumer rights



Questions?

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