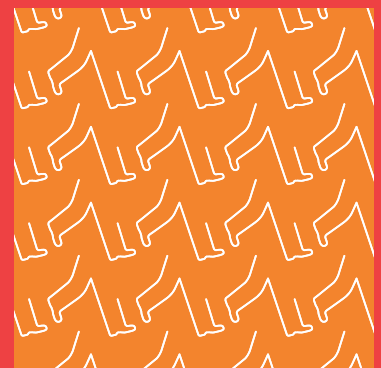
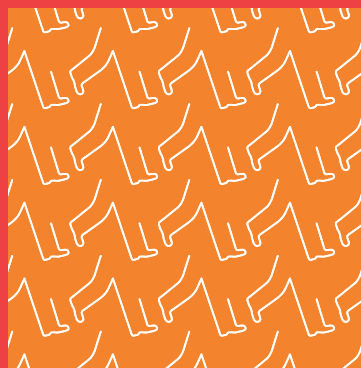
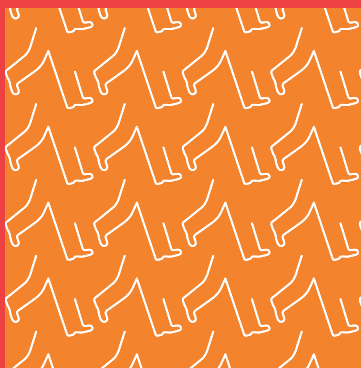
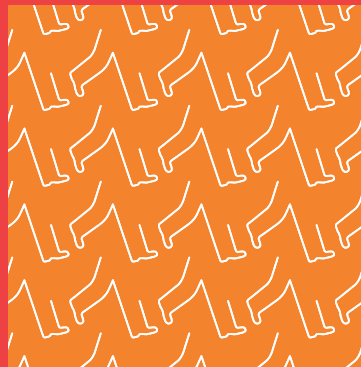
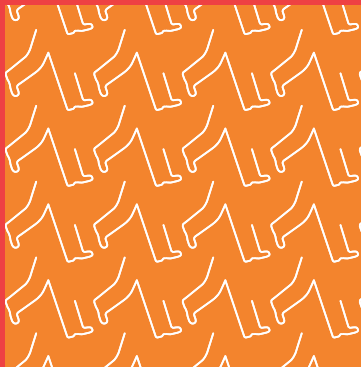
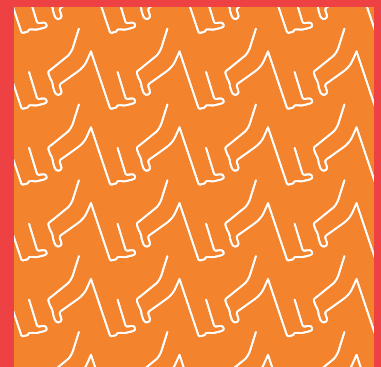


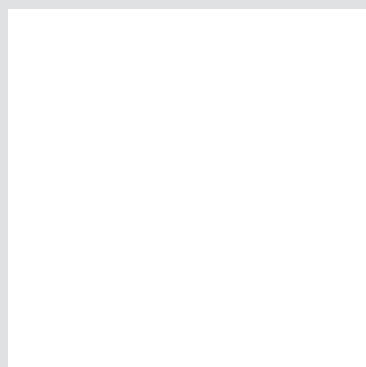
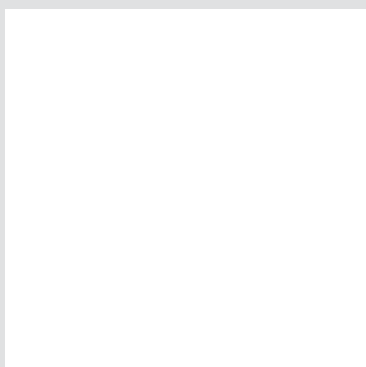
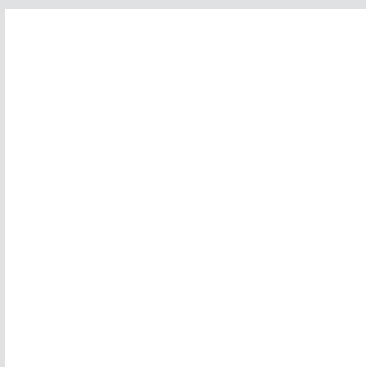
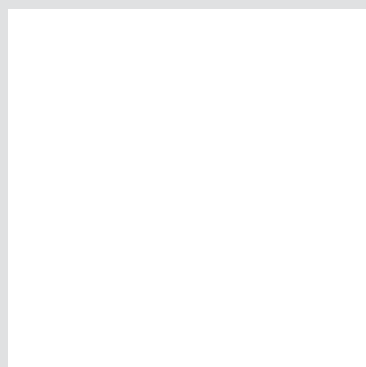
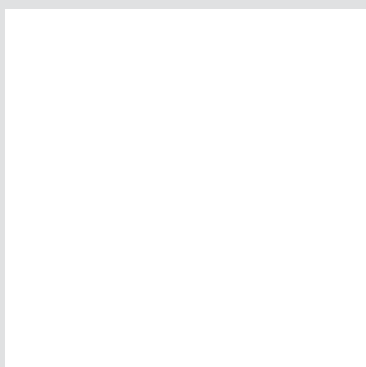
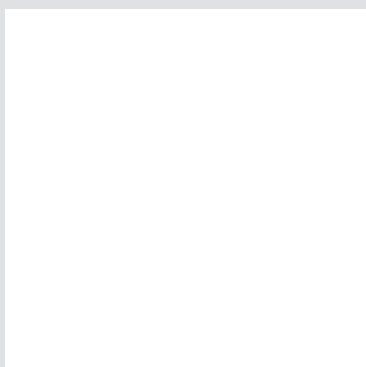


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Rewards-based cultural crowdfunding in Spain: Opinions of project promoters





ABSTRACT

This paper is an analysis of the profile and strategies of promoters of cultural projects who successfully used reward based crowdfunding to raise funds. A survey was conducted among a potential universe of 2,368 cultural projects that successfully raised their minimum proposed amount between January 2011 and December 2014 via Verkami, the most important platform of this type in Spain. It received a total of 691 valid responses. Using these data, the most prominent traits, opinions and behaviours among the promoters were studied, comparing them with key variables that intervene in the course of the projects. The results obtained are of interest not only for the particular case of Spain, but for the entire set of cultural projects that opt for reward crowdfunding as a fundraising strategy.

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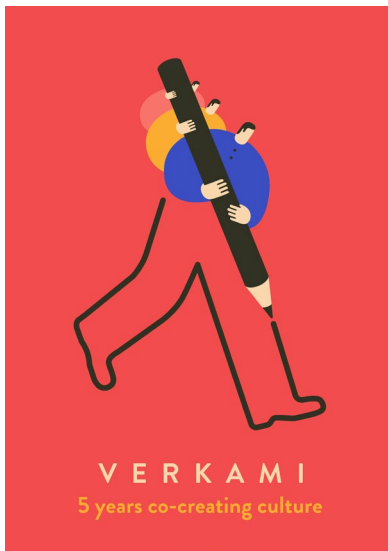
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1. Introduction

This study is based on a survey conducted among a broad sample of promoters of crowdfunding cultural projects. These projects come from the main reward crowdfunding platform in Spain. Through this questionnaire, the predominant traits and behaviours among project promoters will be revealed, reaching conclusions that hold interest for a more in-depth knowledge of the sector.

This text will begin with a contextualisation that will introduce the reader to the more general features of micropatronage, going on to focus on reward crowdfunding in Spain and in the cultural sector. Subsequently, the methodology used will be explained and the statistical analysis of the data compiled will commence. Firstly, using the more general data originating from the Verkami platform; and secondly, using data originating from the survey sent to the promoters. Finally, conclusions for the investigation carried out will be proposed along with a short review of future studies that it would be interesting to conduct.



It is important to bear in mind that all the information presented here is a summary of the study “Crowdfunding in Spain: analysis of cultural projects published on Verkami from the viewpoint of their promoters”.¹

To provide the broadest possible perspective of crowdfunding as it relates to culture, the cooperation partner chosen was Verkami, the foremost reward crowdfunding platform in Spain that specialises in the funding of creative projects (Claramunt 2014).

This platform follows the rewards system and is based on “all or nothing”. For this reason, in this study a project will be termed successful when it has met, at least, the financial target that it had set. Since its creation in 2010, some 69.28% of the projects published up to the end of 2014 have met their target; a rate much higher than the average among the platform’s competitors. This percentage implies that 3,052 projects have been successful, meaning that Verkami has invoiced over 15 million euros thanks to the help of nearly 400,000 contributions from patrons (each with an average of €38.41).

1. Available in Spanish at www.gestioncultural.org/ficheros/El_crowdfunding_de_recompensa_cultural_en_Espana.pdf

2. Contextualisation

2.1. CROWDFUNDING IN SPAIN

On a Europe-wide scale, Spain is one of the countries in which crowdfunding has taken off most strongly (Duch 2014). The first Spanish collective funding platforms appeared in late 2010 with the launches of Verkami and Lánzanos. Both followed the reward crowdfunding model, inspired by initiatives such as Kickstarter in the USA. Today the number of this type of platforms in the country stands at around a hundred and among the main names are Verkami, Lánzanos and Goteo. These three platforms host campaigns from different categories, but those related with culture and creation projects are predominant.

According to various sources, it is estimated that in 2013, funds raised via crowdfunding in Spain doubled with respect to 2012 and reached in excess of 19 million euros (Crowdfunding, 2014 and Infocrowdsourcing, 2013). It is not at all clear how this figure evolved in 2014, as the only study available affirms that this amount has almost tripled, with a total of 62 million euros invoiced in this latter period (Wardrop, Zhang, Rau, and Gray, 2015), but these are figures that anyone with knowledge of the subject would note as over-optimistic. Later in this text, the reasons why these calculations do not enjoy much credibility with us will be explained.

On an institutional level, the only organisation that exists is the Spanish Crowdfunding Association (Asociación Española de Crowdfunding), which has 30 members, of which three are consultants and not platforms. It was founded in June 2013 with the aim of representing businesses, organisations and professionals working in micropatronage in Spain. It can be intuited that the index of action or influence is not yet very high, since according to the list by Muñoz (originated in 2012 but supposedly updated) the number of crowdfunding platforms that exist is 111; a number too distant from that of members of the association, even taking into account that that list might be outdated and that at the current time the figure would have decreased.

Of the organisations registered with the Association, 38.4% are partly or exclusively rewards-based, 25.6% investment-based, 23% donation-based and 12.8% loan-based crowdfunding. These data follow the worldwide trend, where rewards-based is the most widespread type of crowdfunding (Massolution 2012). Even so, a descent in the proportion of rewards-based platforms can be observed in relation to 2013, when they represented 62% del total (Crowdfunding 2014).

If we wanted to find out which are the most important rewards-based platforms in Spain, we would need to have access to their turnover, but given that this is not public information, we have to settle for reviewing the most popular websites and checking which have the largest number of active projects. As at 30 May 2015, this ranking is led by Verkami with 188 active projects, followed by Lánzos (106 projects) and Goteo (20 projects).

These figures are consistent with those extracted in spring 2014, when an exhaustive analysis was produced in house of the rewards- and donation-based crowdfunding platforms existing in Spain. Only 5 had more than 10 active projects, including those mentioned above: Verkami (148 projects), Lánzos (137 projects) and Goteo (28 projects). If we compare the current figures with those of a year ago, we can observe how rewards-based crowdfunding in Spain is evolving in such a way that the strongest platform (Verkami) is the only one that is growing, fuelled by its own popularity. This is a market in which there are few tangible barriers to entry, as almost anyone can create a platform. However, there are strong barriers with regard to the acceptance among the public. This is related to the fact that promoters will always try to publish their projects on websites enjoying popularity and a high degree of success to ensure that a certain number of members of a public unknown to them will see their initiatives.

For this reason it is a sector with a high mortality rate. Every year new platforms emerge that sometimes never even reach the point of having a project to fund. Over the last year there has been, therefore, the odd new appearance, but none that offers competition to the two strongest platforms.

As for the turnover of rewards-based crowdfunding in Spain, we again have the same problem as explained previously. We only have access to the data from the study by Wardrop et al. (2015), which affirms that the sum reached was 35.1 million euros. However, it is known that Verkami (the most powerful) reached only 4.3 million euros, therefore this aggregate figure is unfeasible. In fact, according to the data in the study mentioned, it is supposed that the invoiced turnover almost doubled in 2014 with respect to 2013, but we have already seen in previous paragraphs that the only platform of the most prominent ones that has grown has been Verkami and its growth has been nowhere near double.

2.2. CULTURE IN CROWDFUNDING

The web community in the creative industry is the sector where crowdsourcing and crowdfunding emerged in the strictest sense (to be more precise, in the film and music business). This is in line with the centuries-old tradition of private patronage and donations to culture and the arts (Hemer 2011).

This sector, particularly the private part, seems to be suffering from a consistently difficult economic situation. As a consequence, and despite this, its main players have to strive to be more creative and produce innovations, although normally on a small scale and with a reduced financial reach. Thus it is not surprising that crowdfunding emerged from this field, as it is the one that it adapts to best due to its characteristics: funding of individual projects that usually have little financial scope but that are convincing and attract numerous individuals (Hemer 2011).

This is especially the case now in Spain, where due to the economic crisis, autonomous regional governments and local councils have gradually reduced their financial contributions to all sectors, but especially to the cultural sectors. That is why the most successful collectively-funded projects have been those linked with culture and creation.

Along these lines, the continued presence of crowdfunding in cultural projects (music, literature, film, games, theatre, etc.) has resulted in the notoriety of the phenomenon being clearly higher among people with more established cultural habits. But also the interest of these people in granting culture an important, independent and financially sustainable space, leads to a more favourable predisposition towards crowdfunding. This means that the two phenomena – culture and crowdfunding – go hand in hand and mutually fuel each other.

3. Methodology

First of all it was necessary to reach an agreement with representatives of the Verkami platform through which they would give us access to their database of promoters and we would show them the ideas resulting from the study of the questionnaire in order for them to gain more in-depth knowledge of the set of users of their website.

However, not all the projects could be considered cultural even though they had a creative root. When forming the study sample, from the total population of promoters the only ones eliminated were the creators of non-cultural or non-Spanish projects or those not published between the years 2011 and 2014. As for criteria when distinguishing cultural initiatives, the following project typologies were used: scientific or technological projects with no cultural aspect, food projects with no relation with culture, journalistic projects unrelated to any cultural theme and without any reward in book format, community projects unrelated to any cultural activity, and purely educational projects.

The survey was sent out in January 2015 to the sample of 2,368 promoters. A total of 777 promoters (32.8%) responded in some way to the questionnaire, but after ruling out some incomplete or incoherent results, the sample to be analysed was reduced to 691 individuals (29.18%). These response rates allow affirmation that, using random sampling, the maximum error margin for the questions answered by the total of the sample is $\pm 3.2\%$, with a confidence level of 95%, in the case of maximum determination of a random event. These figures are around the average of other similar studies in the same field that have also used online surveys, such as those by Mollick and Kuppuswamy (2014).

Being an empirical exploratory study, the objective of this study is to develop initial evidence on the nature of the promoters of rewards-based crowdfunding cultural projects through their opinions and impressions. This method is appropriate for an emerging subject, as these initial data can serve as a useful basis when constructing theories (Eisenhardt 1989). Therefore, rather than configuring formal hypotheses, the rest of the study will examine the keys to rewards-based crowdfunding from the perspective of the promoters of cultural projects.

For this, the analysis of the data obtained was carried out, fundamentally, based on the calculation of absolute results and the averages of the values obtained. Several open-ended questions were asked whose answers allowed a qualitative approximation of the perceptions and priorities mentioned by the promoters who answered the questionnaire.

All of these quantitative calculations were made following the data processing procedure outlined below:

- A. The 109 variables were edited and coded according to the type of category (scale, nominal or ordinal). It should be taken into account that this quantity of variables do not proceed exclusively from the questionnaire, but that the first and basic variables are part of the general database owned by Verkami that was handed over to us from the start to complement the survey analysis.
- B. It was confirmed that none of the variables followed a normal distribution and that therefore for the subsequent analysis of them, it would be necessary to use non-parametric tests. To reach this conclusion, different methodologies were used according to the type of variable analysed: Chi-squared Test for nominal and ordinal variables, and Kolmogorov-Smirnov Test for scale variables.
- C. A descriptive analysis was made of each and all of the variables, extracting the median averages in the case of those of the scale type and frequencies in those of the nominal type.
- D. Statistical relations of interest between all of the variables were sought using different tests:
 - a. For comparison of two nominal variables, the Chi-squared test.
 - b. For comparison of two scale variables the Spearman's Rho.
 - c. For a mixed comparison, the Kruskal-Wallis (UCM n.d.).
- E. Finally, in cases where there was a statistical relationship, an attempt was made to find an explanation and observe its logic through different methods:
 - a. For nominal variables relationships, with contingency tables.
 - b. For scale variables relationships, with dispersion graphs.
 - c. For mixed variables relationships, by extracting the medians of the different categories.

After statistically studying the responses given by the promoters in the form of selection of any of the alternatives available, qualitative analysis was carried out of the free comments that promoters were allowed to make in nearly all of the questions in the questionnaire.

4. Analysis of results

4.1. ANALYSIS OF CULTURAL PROJECTS ON VERKAMI (2011-2014)

As has already been mentioned previously, before the survey was launched Verkami provided its complete database on the projects, with data relating to the financial target set by each (resources requested), the resources achieved by the end of the campaign, the category and subcategory of each project, the details of the promoters, the language of publication, etc. This database was essential for seeking links between the opinions of the promoters (responses to the survey) and empirical data. But before moving on to this search for relationships, we will provide a short analysis of the database.

4.1.1. RESOURCES REQUESTED AND ACHIEVED

Promoters on Verkami set a target of a median average of €2,500 and they achieve, over the 40 days that the campaign lasts, a median sum of €2,967.50. This means that they raise a median sum of money that is 8.21% higher than the amount they sought. If we observe the quartiles, some 25% of the projects only achieved up to 2.67% more than they requested and only 10% achieved 48% or more above what they had set as their target.

This pattern is almost exactly in line with data from Kickstarter, which confirm that among crowdfunding projects, failed projects usually fail by large margins whereas successful projects are successful by small ones (Mollick 2014).



4.1.2. CATEGORIES OF PROJECTS

Within the large variety of projects that exist on the platform, the people running it have classified them into different categories: food, art, performing arts, science and technology, comics, community, design, film, photography, games, music and publications. Within each category we can find different subcategories that may be, in some cases, interesting to analyse. These categories have been completely respected, as the desire was to remain faithful to the way in which those responsible for the platform and the promoters understand the projects.

Out of all the cultural projects launched from the Verkami platform between 2011 and 2014, standing out in terms of number are musical projects (36.7% of the total) followed by audiovisual projects (23%). Barral (2015), in his study conducted among Spanish internet users, asked about their favourite spare-time activities. Some 71.9% answered films or series, while 58.2% affirmed reading. With respect to music, the figure was obtained that 75% of the population affirmed that they loved music or even were music fanatics (Barral and Barral 2015). This ties in exactly with the behaviour of patrons, which indicates that one of the variables that influences them notably is their preferences, and that they feel predilection for projects that are related with the activities that they most enjoy.

In subsequent sections, in the analysis of the survey questions, the categories Science and Technology, Food and Design will not be taken into account when seeking relationships between the category and other variables because there are very few of these cases available and the result would not be significant.

The categories that stand out most with respect to the median of resources requested are Food (€4,000) and Games (€3,350). In contrast, the category that normally requests less money is Design (€2,000). The same occurs if we look at the resources achieved and the percentage of extra earnings, as in both, Games stands out above the rest with a median of €5,078 achieved and an extremely high 34.65% of extra margin. With respect to those that are more striking near the bottom, Design is the category that achieves the least median amount of money (€2,090) and Film the one that receives the least percentage of extra resources (5.21%).

It is quite clear that Games is the category that stands out most financially. The promoters of these projects are the ones who set the highest targets, but also it is they who manage to exceed them by the greatest margin. One of the reasons for this success may be that in the case of board games, it is very common to set different financial targets from the official one which, as they are passed, mean that different extra rewards and benefits are made available to the patrons.

In the Music category we find that the 909 musical projects are divided into 11 subcategories (Singer-songwriter, Classical, Electronic, Folk, Hip Hop, Indie, Jazz, Metal, Pop, Rock, and Reggae and Ska). The most popular is undoubtedly Rock (18.7% of the total), followed by Singer-songwriter (13.5%). In contrast, the music projects least seen on Verkami are those relating to Electronic music (only 2.4% of the total) and Hip Hop (3.6%). We find that if the median of the Music category as far as requested resources is €2500, the subcategory that stands out most above this amount is Classical music with a median of €3000, and most below Hip Hop, with a median of €1400. The same behaviour is seen in the case of resources achieved.

Within the audiovisual projects published on Verkami we can find five subcategories (Animation, Documentary, Short Film, Feature Film and Webseries) together with another segment not classified in any of these five because their promoters did not identify with any of them or because they didn't want to be pigeonholed. Standing out above all the rest are short films (41.7% of the total) and documentaries (27.9%). If the median of the Film category in terms of resources requested stands at €3,000, the subcategory that stands out most above this is Feature Film with an average of €6,000 and most below, Short Film and Webseries, each with a median of €2,000. The same behaviour is found in the case of resources achieved.

Among the 198 Performing Arts projects that exist we can find four subcategories (Circus, Dance, Musical and Theatre) together with another segment not classified under any of these four headings. Standing out above all is the Theatre subcategory (68.7% of the total) and at the bottom, Circus (1.5%).

4.1.3. LANGUAGES OF PUBLICATION

The promoters published their campaigns in up to 66 different language combinations made up of five languages spoken in Spain (Spanish, Catalan, Asturian, Basque and Galician) and four foreign languages (English, French, German and Italian). In the following table, the usage percentages can be observed:

	Sole language of the project	Sole language or shared
Languages spoken in Spain		
Spanish	46.4%	81.7%
Catalan	16.6%	38.5%
Galician	1.1%	4.8%
Basque	0.05%	2.35%
Asturian	0%	1.3%
Other languages		
English	0%	19.8%
Italian	0.05%	2.35%
French	0%	2.78%
German	0%	0.06%

It can be observed that the most used languages are Spanish and Catalan. The abundance of projects in Catalan is due to the fact that half of the promoters indicated that they come from the Spanish region of Catalonia. Only 16% of Spain's population lives in this area, but it must be taken into account that Verkami's company headquarters are based there, which means that from the outset it had a major influence among the Catalan population. The next region where the most projects are based is Madrid.

If we want to focus attention on the internationalisation of crowdfunding projects, some 21.26% translated their texts into at least one foreign language. However, in the majority of cases this effort has gone unrewarded, as when it comes to it, few crowdfunders come from other parts of the world. Finally, it is also important to take into account that projects written in German or French will have had extra difficulties in reaching an audience of these nationalities since the Verkami platform interface is not translated into these languages.

It is curious to observe that combinations that contain English possess visibly higher medians of resources requested and achieved. The projects written in Spanish and English set a target of some €3,000 and achieve around €3,157.50, while those translated into Spanish and English, also request a median of €3,000 and achieve €3,483. This indicates that the promoters who make the effort to translate their texts into English are usually more ambitious and aim to reach a broader range of patrons, or find themselves pushed to do so because they have larger projects in hand that need to be promoted on a greater scale. On a national level, it is also observed that bilingual projects achieve more money and are of broader dimensions than those that are only written in one language.

As can be inferred from the data provided on language combinations, the majority of projects (64.2%) are published only in a single language and the proportions fall as the number of languages decreases. Furthermore, a positive relationship exists between the resources requested and achieved and the number of languages used. It could be thought that the more languages that are used the larger the public reached and therefore the more money is raised. However, this reasoning is excluded given that in this case the percentage or sum of extra money achieved would also increase notably, and it has been confirmed that this is not the case. Given that the decision on the number of languages to be used is taken at the same time as that of the financial target to be set, it is more reasonable to think that given that the promoters are aware that these are projects with greater dimensions than

the average, they decide not to close the doors to being understood by patrons of all nationalities taking into account the volume of support that they will need.

To finish with this variable, it is important to mention that it has been observed that significant differences exist between the different categories of projects with respect to the number of languages. Standing out as categories published in only one language are Comics (80.4% of projects), Community (76.1%) and Publications (75.7%). These data cannot surprise us if we take into account the products or services that result from the Comics or Publications projects are fully linked to one language and that Community projects are usually closely related with a zone or area with its own language. In contrast, the categories that stand out as those with the least projects published in only one language, and more so in two or three, are Science and Technology and Art, with only 25% and 50% of the total of campaigns respectively in a single language.

4.1.4. CAMPAIGN STARTING DATES

Through all the campaign starting dates available in the Verkami database, it has been possible to analyse the seasonality of the platform. As could be expected, two clear peaks of activity are noticeable, in spring (May) and autumn (October) and two segments with few publications, at Christmas and in the summer. Taking into account that time for preparation is an average of 4 months (as we will confirm later), it can be said that promoters prefer to wait until after the Christmas and the summer holidays to prepare their campaigns.

4.2. SURVEY ANALYSIS

4.2.1. PROFILE OF THE PROMOTERS

The majority of promoters (77.9%) state that they are novices, with only one single crowdfunding campaign carried out. And despite what one might think, no statistical relationship exists between the number of campaigns developed and the financial variables. Moreover, the categories in which there are the most expert promoters are Comics and Games, where only just over half of the promoters are novices. In contrast, the categories where there are most novices are Film, Photography and Music.

When asking about age, we observed that the segments grouping together the most promoters are those of between 25 and 34 years (41.4%), and between 35 and 44 years (32.1%), with the two groups together totalling 73.3% of the sample. These proportions fit in with other studies on crowdfunding, such as that by Mollick and Kuppusswamy (2014), where the conclusion reached was that the average age of promoters was 35 years. It also coincides exactly with the profile of cultural entrepreneur (Navarro, 2009).

However, it does not fit in with the Spanish reality of cultural employment. In Spain, the age interval in which there are most people working in a position related with cultural activities is that from age 35 to age 44 (36.6%) followed this time by those aged 25 to 34 years (24.6%) (Ministerio de Educación, Cultura y Deporte, 2014). In all likelihood this difference in ages is due partly to the computer-based and innovative nature of crowdfunding, which innately attracts younger people. But above all, the fact that due to the accessibility of this funding system it is the resort of many creators who have not yet had the opportunity of employment in the cultural sector; in other words, amateur creators or artists.

The median of resources requested and achieved increases with the age of the promoters until the older age groups, when it starts to decrease. Thus, while promoters aged between 16 and 24 years set a financial target of a median of €1,600€ and achieve a sum of €1,752; those aged between 45 and 54 years, have a median target of €3,000 and achieved €3,445. Evidently this relationship is completely associated with the experience, professionalism and popularity that promoters gain with age in their specialisation sectors. However, it has not been possible to confirm that this improvement in different aspects of the profession is transmitted to crowdfunding, since there is no relationship with the extra earning percentage (relationship between target and result).

If we focus on professional profile, it is interesting to observe how professional (43%) and amateur (27.5%) creators and artists represent over two thirds of the total survey respondents. Cultural managers and professional artists request the highest sums in their campaigns (a median of €3,000) and achieve the highest sums (a median of just over €3,200). In contrast, social facilitators and amateur artists set the lowest financial targets (a median of €2,200) and raise less money (a median of just over €2,600).

These data reflect the importance of preparation when resorting to funding sources. Cultural managers are usually people with a certain degree of training in the field of culture and in the field of economics, therefore they have greater capacity to set financial figures that approach the reality of what the market can observe and have more resources when attracting patrons for the project.

When asking about the predominant gender, only 31.3% affirmed that they were a balanced number of men and women. Meanwhile, the categories “mainly men” and “only men” accounted for 44.3% of the total answers, and the categories “mainly women” and “only women” amounted to only 24.2%. Evidently among crowdfunding promoters, men outnumber women. This is a distribution that perfectly matches the reality of the cultural activity situation in Spain. According to the *Anuario de Estadísticas Culturales* (Cultural Statistics Yearbook, Ministerio de Educación, Cultura y Deporte, 2014) some 60.4% of cultural positions in Spain were occupied by males in 2013 and according to Navarro (2009) some 70% of people who create cultural enterprises are male.

In categories such as Art, Film and Publications, the proportion between men and women is fairly balanced, although only in Art is the number of women slightly higher than that of men. There are other categories in which men visibly outnumber women such as in Games and in Music. To conclude, it is important to highlight that a category exists in which women outnumber men: the performing arts.

Observing, next, the responses when asking about the level of studies achieved, it remains clear that the majority of crowdfunding campaign promoters have university-level education (69.2%). If these data are compared with those of cultural employment in Spain, the same behaviour can be seen. According to the *Anuario de Estadísticas Culturales* (Cultural Statistics Yearbook – Ministerio de Educación, Cultura y Deporte, 2014), some 65% of people who in 2013 had a job related with culture, had reached higher education or the equivalent. It is interesting to confirm that in crowdfunding this index is greater, above all if we take into account the fact that not all promoters are yet professionals in the sector, but rather they are young or are just starting.

Finally, we have been able to confirm that the legal status that most abounds among survey respondents is precisely the non-existent legal status. Some 42.3% confess that they are not registered or legally established as organisations or self-employed individuals.

The forms that are least common are public organisations and companies. This may be due in the latter case to the fact that incorporation as a company implies a series of requirements that only individuals with certain resources decide to satisfy. If these resources are available along with a certain business structure it is also easier to access other more traditional forms of funding. In any event, this does not only happen in crowdfunding, but also in the cultural sector in general, where self-employed individuals are more numerous than companies (Ministerio de Educación Cultura y Deporte 2014).

The projects set within the context of a company are those that set more ambitious financial targets and that in consequence obtain more generous sums. In contrast, promoters who have not officially registered as self-employed individuals or as any type of organisation are those who request and raise the least money. It is clear that when promoters have a project with substantial financial dimensions in mind and decide to try to implement it, they think carefully about the most opportune procedures, both on a logistical and a fiscal level. For this reason, before launching campaigns of a high financial value, promoters ensure that they comply with all the necessary legal formalities, not only to develop the crowdfunding project, but also to subsequently be able to carry out their activity correctly.

If we observe the categories, the highest numbers of companies are in Games (26.9%), of non-profit organisations are in Community (81.8%) and of self-employed individuals are in Photography (59.4%).

4.2.2. MOTIVATIONS FOR RESORTING TO CROWDFUNDING

Unlike traditional funding methods, in which only the reviewers of applications are informed about the project, crowdfunding represents a route in which anyone who browses the Internet can find out about a project. It can also be a useful tool when attracting the press. This way, people are reached with whom the creator was not previously connected, and in turn they pass on the information to new population segments.

It is for this reason that 84.3% of promoters affirmed that they consider at least a benefit when publishing their crowdfunding campaign the fact that it is a tool that is "(...) useful for introducing the project and for it to gain popularity." If, moreover, we group together those who really contemplate it as something that is very important or important, we obtain a percentage of 46.6%, almost half of the sample.

In the study produced by Mollick and Kuppuswamy (2014) the promoters surveyed were asked if one of the reasons for publishing their campaign was to publicise their project, and over 60% answered yes. This is a similar figure to that of our study. However, in the study carried out by Lambert and Schwienbacher (2010), it emerged that attracting the attention of the public was important (or highly important) for some 85% of those surveyed, a rate that doubles our own.

Due to the fact that the appeal is made to consumers and that 2.0 online tools are used, crowdfunding may help companies to test, promote and publicise their products, thus gaining a greater knowledge of the tastes of their target audience or creating new products or services together (Belleflamme, Lambert, and Schwienbacher 2010). Creators are motivated by satisfying their desire for approval both in reference to themselves and to their project. The number of patrons and euros achieved is usually seen by them as a quantification of the value of their project for the rest of society.

In relation to this, 78.9% of promoters affirmed that they took into account that crowdfunding “is useful for confirming the success that the product/service may achieve in the market in the future” when publishing their campaign. If, however, we group together who really contemplate it as something that is important or very important, we obtain a percentage of 37.6%, a figure that is somewhat lower than in the previous question.

A couple of writers commented that crowdfunding allows them to measure their demand precisely: “it is a way of reckoning the number of books to publish and thus avoid generating too much stock” and “it lets you know exactly how many people are interested in the project, therefore the print-run (this was a book) is much more precise”; and another writer assured that it is useful “for better selecting our audience”.

According to the study on crowdfunding promoters carried out by Mollick and Kuppuswamy (2014), nearly 70% of the promoters seek to check the real demand that exists for a product or service when publishing a campaign; and in the study by Lambert and Schwienbacher (2010), some 60% of those surveyed affirmed that it was important (or “highly important”) to obtain feedback on the product or service offered. The first figure could be considered similar to that of this study because it does not indicate the degree of importance that it has for promoters, but the second represents double.

Moreover, over half of the promoters (51.7%) selected as a very important variable the fact that “There was a need for money and I/we felt it was an opportune source of funding for raising it”, which stood out over the other options in this sense. However, if we add, as previously, those who marked that it was very important, important, normal or not very important, we can say that 78.1% of promoters considered it as an aspect to take into account when publishing their crowdfunding campaign. This quantity is not the highest of all those we will see in this question, but in contrast, is one of the lowest. In fact, if we group together the normal, not very, and not at all important options, we find that despite it being a source of funding, nearly a third of those surveyed (32.5%) do not consider the money obtained a priority when opting to publish on Verkami.

In parallel, if we focus on their opinion regarding the phrase “It is useful for raising funds from friends and relatives who want to make a contribution”, we can affirm that 81.4% of promoters consider it at least a benefit when publishing their crowdfunding campaign. If, moreover, we group together those who consider it as very important or important, we obtain a percentage of 48.8%, almost half of the survey respondents.

Finally, promoters expressed their opinion on the phrase “It is an alternative to traditional methods of production and funding, which do not fit in with the project’s values.” We can affirm that 76.6% of the promoters considered this at least a benefit when publishing their crowdfunding campaign. If, moreover, we group together those who really contemplate it as something important or very important, we obtain a percentage of 53.9%, over half of those surveyed.

Some promoters made comments on this motivation with respect to the special relationship that crowdfunding allows them to enjoy with their patrons: “possible patrons of the project have a more direct participation with the creator”, “we like people to form part of the project, to feel that they are a part of it”, “we feel it is a way of implicating users in the production” and “being an owner of my work”.

The idea of an “ethical economy” in which transparency, justice, cooperation and solidarity are important is gaining ground among broad segments of the population. These changes have increased the importance of a production not based on the market but on ownership that threatens the pillars of the industrial society (Benkler 2006). The Information Society is designed to favour change, from hierarchies to networked organisations, to a more decentralised system that allows

greater coordination, transparency and cooperation (Castells 2000). And the fact is that crowdfunding users not only seek to fund projects or exchange services but also to participate in the process of creation, improvement and dissemination of the product, especially when they perceive that this business model is fair for them (Ramos 2014).

As a conclusion with respect to the question on motivations, it can be affirmed that the motives that are priorities in encouraging promoters to launch a crowdfunding campaign are financial need and the use of crowdfunding as an alternative method for production or funding, as some 53.9% marked it as important or very important. However, although financial need serves as a push for many promoters, it is also completely overlooked by many others. This is a motivation that sometimes figures as a priority, but also that appears most as not contemplated.

There are promoters who decide to resort to these micro-funding platforms for different reasons to financial gain, putting emotional or ideological elements first. Others, in contrast, prefer this funding system because it offers less initial expenses and greater profit margins. However, these two aspects are not mutually exclusive. As has been demonstrated with this question, there are promoters who seek to obtain funding through crowdfunding but who also value the ethical or democratic component of this model.

4.2.3. TIME ELAPSED UNTIL THE START OF THE CAMPAIGN

A large number of those surveyed (30.8%) take less than 2 months to prepare and organise the crowdfunding campaign while over half (63%) do it in less than 4 months. There is a clear positive relationship that indicates that the more months dedicated to preparing the publication of the project, the higher the financial target that is set.

What should be considered is which variable influences which. In other words, are higher targets set because there is more time to think and prepare? Or alternatively, is the idea to set a higher figure and therefore more time is devoted to the preparations?

4.2.4. GEOGRAPHICAL ORIGIN OF PATRONS

Promoters were asked where their donors or patrons originated from geographically, referring to whether they originated from the same municipality or, at the opposite extreme, from different parts of the world.

Analysing the data it is deduced that there is a mixture of projects of very different types in this survey. With this reference is made to the fact that there are two profiles of projects that have managed to involve the population of the same Autonomous Community and part of the rest of Spain, and those that have only had repercussions in closer geographical areas.

This conclusion has been reached when confirming that the proportion of promoters who marked the principal origin of their patrons as being from the same municipality is high (42.5%), and also those who selected the same for their Autonomous Community (41.8%). In addition, the proportion of promoters who opted for the municipality as the principal origin is almost as high as that of those who affirmed that patrons from that area did not exist (Not applicable). In all likelihood this difference in area of repercussion is not due in most cases to a failure in the promotion of the campaign, but rather to an intended purpose. There are promoters whose aim is to disseminate their product or service all over the country or the world because it has a more universal profile, but there are others that are centred around projects with characteristics closely linked with their geographical area or that from the start decide to focus their communication efforts on their surrounding environment in order to be more effective.

The interest in this subject lies in the fact that the success of entrepreneurial initiatives funded through traditional systems have always been highly linked to geography (Chen, Gompers, Kovner and Lerner, 2009; Owen-Smith and Powell, 2004; Shane and Cable, 2002; Kenney and Burg, 1999) and confirmation is sought regarding whether such dynamics are repeated in the case of crowdfunding. Agrawal, Catalini and Goldfarb (2011) examined the geographical origin of consumers who invest in the Sellaband platform. The scientists observed that the “average distance between the artist or entrepreneur and the patrons stood at around 5000 km, suggesting that physical proximity played a small role”. However, they also assured that the distance is still important in the measure that local patrons have greater probabilities of investing in the initial phases of the project and show themselves to be less sensitive to the decisions of the rest of the patrons. Mollick (2014) also examines the geography of crowdfunding using data from Kickstarter to examine the keys of the success of micropatronage projects.

The promoter reveals that a strong geographical component exists in the nature of the projects, as the promoters propose initiatives that reflect the underlying cultural products of their geographical area.

The median of resources requested and achieved increases notably as protagonism is lost by patrons originating from the same municipality, comarcal district or province as the promoter. This indicates to us that promoters that set higher targets already suppose that they will have to open horizons and focus their efforts beyond their most immediate geographical area, achieving their target and even considerably more. As was foreseeable, in the case of patrons originating from other parts of Spain, the behaviour of the medians of resources requested and achieved is exactly the opposite, and the greater the protagonism of investors from different parts of the country, the higher the figures observed. In contrast, projects whose patrons mainly originate from other parts of the world do not set or achieve higher sums of money than those who only have these patrons involved in a secondary capacity. Most probably this behaviour is due to the fact that crowdfunding in Spain does not yet have sufficient international repercussion to be able to sustain an entire project through foreign patrons.

4.2.5. THE REWARDS

The criteria that are most taken into consideration as a priority when selecting the rewards that will be published with the campaign are that they draw attention and attract people, that they are a product or service reaches the maximum number of people possible, that it allows interested backers to participate and that it is something that is exclusive and cannot be acquired through other means. Although this latter aspect does not stand out as much as the other three, it can be affirmed that the four stand out considerably above the rest in this category.

With respect to the criteria contemplated as less of a priority, it can be confirmed that they are as follows: delivery speed, financial margin, the fact that similar projects have already used them and the fact that Verkami recommended it to them.

It is at least curious that promoters point out that the financial margin offered by rewards was not something that they believed was important if we take into account the fact that previously they affirmed that one of the strongest motivations that led them to resort to crowdfunding was the fact that they needed money to take their project forward.

Some promoters expressed opinions on what they focused on when selecting the rewards: “taking advantage of the publishing company’s stock”, “economical, functional and representative”, “make the backer a participant of a direct experience (...) and take away a reminder from its archive”, “we mainly offered material that we already had available”, “that it was consistent with the values of our project”, “that appealed and were logical in relation to the project” and “that, in addition, were artistically linked to the project”.

It was also possible to confirm that the most used reward typologies were the product or service that was the subject of the campaign (similar to an advance sale) and mentioning backers as a gesture of thanks on the product itself or in some other format.

4.2.6. FINANCIAL TARGET

The criteria most followed when choosing the campaign’s financial target is calculating the minimum sum of money necessary to be able to take the project featured in the campaign forward (marked by 64.4% of promoters). It is followed, although at a distance, by the profile of promoters who although needing a high sum in euros believe that they will not achieve it and so set a lower sum conditioned by Verkami’s “all or nothing” system, and reckon on having to resort to other sources of funding in order to go forward (32.2%). Moreover, very few risk asking for the maximum they believe it is possible to achieve (19.1%) or take similar projects as a reference when setting an amount (10.3%).

When analysing the figure that they would set as a financial target if they could go back in time, it must be taken into account that in this survey only those responsible for successful campaigns were questioned and, therefore, the sum that they set was achieved. Those who marked that in retrospect they would have set a lower figure is possibly because it required a great effort from them to achieve their target or even because they have had to contribute own funds to reach it.

In any case, many promoters (63%) are satisfied with the sum that they chose as a financial target and only some (29.3%) would have set a higher figure if they had known how the campaign would develop.

4.2.7. PROPORTION OF THE PROJECT FUNDED THROUGH CROWDFUNDING

Only 21% of the promoters indicated that the crowdfunding campaign served them to fund the whole of their project, while the rest admitted that it only allowed them to pay a part of the expenses. The median proportion of what costs promoters managed to cover with the funds received from their crowdfunding campaign on Verkami stands at around 75%.

If we look at legal status, it is observed that those who finance the lesser part of their project through crowdfunding are companies (50%). Promoters who turn to crowdfunding within the context of a company legal personality usually do so with large-scale projects in which financial needs are considerably high. For this reason, the amounts of money achieved through crowdfunding are not sufficient for them, but they also resort to other sources of funding.

4.2.8. OTHER SOURCES OF FUNDING

The most common alternative source of funding (60.9%) is personal savings, followed by money from family and friends (19.5%) and public grants (13.8%). Finally, and in very small percentages, some promoters exist that have resorted to credit institutions (2.1%), to external business investors (6.1%), to business angels (1.9%) or to other crowdfunding platforms (1.3%).

The average of resources achieved is higher among those projects that have not resorted to other sources of funding (€3,045 against €3,365 for promoters who have only used crowdfunding). With the percentage of overfunding exactly the same thing occurs (8.24% against 12%). To understand this behaviour, it is important to take into account as mentioned previously that the large part of promoters that have resorted to other sources of funding have indicated that this source was their own savings. For this reason, those who did not have savings or did not want to spend them have put greater effort into obtaining funds than those who had a certain margin of security.

With age, the promoters tend to concentrate their efforts on crowdfunding and not on other sources of funding. Only 9.1% of promoters with age between 16 and 24 years affirmed that they have only resorted to crowdfunding. This percentage rises to 46.7% in the case of promoters aged between 55 and 64 years.

And as far as professional profile goes, cultural managers are those who have resorted most (36.6%) to grants or other forms of funding originating from the Public Administration to take their projects forward, while amateur promoters are those who do so least. This is most probably due to the fact that cultural managers have training or experience in administrative subjects that allow them to easily pass all the bureaucratic processes necessary for this type of resource.

If we turn our attention to legal format, companies are those who most resort to complementary sources of funding successfully (89.3%). For this reason they stand out in terms of achieving resources from banks and external business investors. This is not so, however, in the case of grants or other forms of funding from the Public Administration, where the protagonists are public and non-profit organisations.

The next question asked was “Before resorting to crowdfunding, had you been rejected when you tried to resort to any other source of funding? Which?”. Some 80.1% of promoters admitted that before resorting to crowdfunding they had not been rejected by any other source of traditional funding, which breaks with the myth that people resort to this alternative route because the rest of resources available are not accessible. This is not an option for the desperate, but a sought-after and premeditated first choice.

Promoters who had tried to obtain money from other sources without success had tried their luck with public grants (10.3%), with external business investors (7.4%) or with credit institutions. Those who resorted to business angels, other crowdfunding platforms and to relatives or friends without obtaining anything in exchange are an almost insignificant minority.

According to some authors, such as Gerber and Hui (2013), crowdfunding is particularly useful for those who are incapable of achieving financial support from traditional sources of funding, such as the banks, business angels and venture capital. Belleflamme (2010) also mentions in his studies that many initiatives end up without funding, partly due to the lack of value that can be promised to investors and partly due to the failure in finding them and convincing them, with crowdfunding being an interesting route for these cases. However, and after analysing our data, it could be said that few are those who really find themselves in this situation of frustration and faced with the rejection of different funding methods.

4.2.9. POST-CAMPAIGN SENSATIONS

In the following question different phrases or situations were offered so that promoters could indicate whether they identified with them in relation to the experience they had undergone with their latest crowdfunding campaign.

Nearly three quarters of the promoters affirmed that on a financial level, everything went as planned. However, some promoters refer to the uncertainty that is experienced over the course of the campaign until certainty is finally reached regarding the target being achieved. And the fact is that estimated expenses and income can be forecast, but it is never easy to imagine how contributions will evolve over the 40 days, which can cause nervousness among the promoters, who depend on the “all or nothing” to achieve their target.

There are various studies that explain this behaviour in the income curve of crowdfunding campaigns. According to Agrawal, Catalini and Goldfarb (2011) the inclination of investors to invest increases as the artist accumulates visible capital on the website. Thus, as the deadline approaches, we observe that updates increase, as the project promoters make a last effort to achieve their financial target.

The beginnings are especially important in crowdfunding, where success depends to a large extent on the trust that backers place in your project. In fact, a popular theory exists called the “30-90-100 rule” which consists of assuring that campaigns that achieve 30% of their target in their first week, have a 90% probability of achieving 100% of the desired sum. This theory is based on the idea that once the 30% barrier has been passed, the project starts to reach beyond the closer circle of contacts of the promoters, reaching backers not directly linked to them. Once this point is reached, viral communication will generate an exponential increase in contributions (Castells Ros 2014).

Moreover, above half of those surveyed indicate that they achieved more money than they had previously expected. The truth is that due to Verkami’s “all or nothing” system, many promoters prefer not to take risks and set targets that are lower than what they really see themselves as capable of achieving.



THE MOST BIZARRE

MÛRFILA'S NEW ALBUM

WITH REWARDS SUCH AS GETTING A TATTOO WITH THE PATRON'S NAME, PARACHUTING... EVEN ONE FOR NONFANS: THE CHANCE TO THROW A CUSTARD PIE IN HER FACE!



THE MOST PROLIFIC

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A CREATOR FASCINATED WITH ABANDONED TOWNS AND VILLAGES WHO HAS PUBLISHED 6 PROJECTS... AND ALL TO GREAT SUCCESS!

€12,610 RAISED AND OVER 600 PATRONS IN TOTAL.





THE MOST SUCCESSFUL

LA PUERTA DE ISHTAR

THIS ROLE-PLAYING GAME REACHED 572% OF ITS GOAL.
ITS PATRONS MET 10 STRETCH GOALS DURING THE CAMPAIGN!



BIKES ONLY TOOK 12 MINUTES TO REACH ITS GOAL!

In the study by Mollick and Kuppuswamy (2014) on some of the Kickstarter projects, survey respondents were asked two very similar questions to those that are included here. When the query was raised regarding whether the results had been similar to what they expected, around 80% answered yes; a very similar rate to that of our study. Moreover, when asked if those results had been better than expected, some 38% indicated yes, this being a lower percentage than in our survey. These differences are due to two reasons: to the fact that promoters of projects relating to technology, product design or videogames (categories on which the study by Mollick and Kuppuswamy focused most) have different traits to those of the rest, or to the fact that the American crowdfunding platform has overfunding percentage rates that are lower than the Catalan platform.

Continuing with the financial aspect, over three quarters of those surveyed affirmed that they were satisfied with the financial resources that they were able to devote to their project once the expenses from the campaign were discounted. In this question, a large number of them took advantage to complain about the specific expenses related with crowdfunding campaigns. And the fact is that that if the platforms retain between 5% and 8% of the money raised in order to cover maintenance costs, to this quantity it is necessary to add the different bank fees for the cost of transfers. Also payment gateways such as PayPal charge fees. In turn, recipients of the final funds, if companies or self-employed, have to invoice in order to obtain the funds. If we add to this sum the costs of producing and distributing the gifts and different bonuses and the hours of work invested in keeping the campaign alive, then it is not surprising that many people we consulted who have worked with crowdfunding platforms have an ambivalent relationship towards their experience with them.

And to finish with the impressions related with finance, it was confirmed that nearly three quarters of those surveyed affirmed that they have carried out a good calculation of expenses related with the crowdfunding campaign. Despite being, in the majority, as we mentioned at the start, people with an artistic profile rather than a management and administration profile, and taking into account the large number of costs related with crowdfunding campaigns, it is worthy of highlight that they had developed correct financial forecasts and implemented them without surprises.

Moving on now to more qualitative subjects, according to which it can be observed in the responses given by the promoters, the great majority (84.1%) consider it somewhat gratifying to have run the crowdfunding campaign, which has made them gain contacts and experience.

Taking control of a crowdfunding campaign forces creators to gain experience sometimes in areas outside their professional field, such as marketing, communication, management, taking on risks and financial planning. In addition, it forces promoters to address a broad and heterogeneous audience with media that perhaps they had made little use of previously, such as videos, photographs, texts, etc. This has led to over half of the promoters recognising that running the crowdfunding campaign has required more energy and time than they expected. This is totally natural if we again consider the novice profile that we talked about at the beginning.

However, and despite these extra efforts, over three quarters of promoters would again resort to crowdfunding if they had to find a solution for a project similar to that which they developed.

Finally, it is important to mention that nearly two thirds of those surveyed had managed to reach an audience that otherwise they would not have reached. This is not a completely positive detail if we take into account that crowdfunding is a source of funding that is based on uniting the efforts of many small patrons and that if an online platform such as Verkami is used for it, this is not only because it is a convenient tool for fundraising, but also because the promoters trust that it is also a vehicle for dissemination that will allow them to reach new segments of public unknown up to that point.

In this sense, some 26.7% of the promoters affirm that they did not achieve this goal and this may be due to different reasons. There are promoters who place too much trust in the rallying power of these platforms and they relax when giving the project dissemination themselves. There are projects with such particular characteristics that it is difficult to promote them to broad segments of the population and from their inception they are designed for smaller audiences. And it is also possible that the platforms do not have the capacity to fuel the vast number of projects that are published on their website front pages on a daily basis, so they select the most attractive with regard to the general public and concentrate their efforts on these.

It is also true that if we compare these impressions with those of motivations, it is interesting to observe that some three quarters of the promoters that pointed out that a very important reason for them resorting to crowdfunding was the fact that they consider it useful for becoming known and for the project gaining popularity and that they considered it useful for confirming the success that the product/service might have in the market in the future, also marked that thanks to the campaign on Verkami they managed to reach an audience that otherwise they would never have reached. This means, as we mentioned previously, that people who consider crowdfunding as an alternative for interacting with the public really achieve their goal because they probably devote additional effort to it.

Finally, it has also been possible to see that promoters who only resorted to crowdfunding (and not to other complementary forms of funding) indicated on more occasions than the rest that their campaign went according to plan financially, that they achieved even more money than forecast and that they are satisfied with the financial margin. This shows us that on some occasions having to resort to own capital is precisely a signal that something has not gone according to plan. These promoters also affirm in a more accentuated way that they enjoyed a gratifying experience than those who used other sources of funding. This may serve as a summary for everything above, because it is evident that if the promoters focus all their efforts on a single successful fundraising method, and avoid having to resort to their own capital, they will end up much more satisfied.

4.2.10. PRIOR PRESENCE ON THE SOCIAL NETWORKS

The majority of promoters were starting to develop a certain community of friends/followers interested in their initiatives (36.5%) on the social networks or they had already been promoting the activity for some time and had a broad community of friends/followers interested in their initiatives (34.9%) when they launched their crowdfunding campaign.

Numerous researchers have reached the conclusion that the social networks of individuals who seek funding influence the success of the fundraising effort, as they generate connections to patrons and guarantees of the quality of the project (Shane and Cable, 2002; Sorensen and Fassiotto, 2011; Stam and Elfring, 2008). Furthermore, in crowdfunding the social networks of the promoters are the initial source of resources for obtaining funds; that equivalent to “friends and relatives”

(Agrawal et al. 2011). Consequently, the size of the same plays a fundamental role in the success of the projects. In line with the above, we have been able to confirm that there is a clear positive relationship between the resources requested and achieved and the intensity of the presence of social networks that promoters had before starting their campaign.

Projects of a Community type are those that stand out most in terms of having promoters backed by a broad community of contacts. These data basically correspond to the type of initiative being discussed, as they have the most social profile of all those that exist.

Some 71.4% of promoters with more than 5 crowdfunding campaigns developed affirmed that they had already spent time promoting the activity and already had a large community of “friends/followers” interested in their initiatives. This percentage declines when attention is paid to promoters with less experience. This dynamic was to be expected taking into account that developing a crowdfunding campaign nearly always involves increasing activity on the social networks to give the project dissemination.

If we concentrate on the professional profile, cultural managers are the people who in the greatest proportion (36.6%) had spent time promoting the activity and already had a broad community of friends/followers interested in their initiatives. Finally, the legal statuses with the greatest presence on the social networks are self-employed individuals and non-profit organisations.

4.2.11. MEANS OF DISSEMINATION USED

The most used means of dissemination are personal social networks and conventional contact networks, as 96% of the promoters resort to them to give their campaign strength. In contrast, the least employed are information meetings in different localities (31.2%), conferences or events (34.1%) and cultural and festive activities (39.9%).

Those that stand out as most efficient are those that also stand out as the most used; social networks and conventional networks of contacts. These are instruments that do not represent any financial cost and that however are very useful when it comes to disseminating news and ideas. Within the social networks, personal networks

have a higher profile than the specific networks for projects, probably because those created for the crowdfunding campaign or the project usually kick off from zero and require more effort, whereas the personal networks usually have a longer history that means that information flows more easily.

With respect to the less efficient means of dissemination, those that stand out are personal websites and information meetings in different localities.

The use of a personal website and the efficiency of the same are positively related with the financial amount achieved. Certainly, it could seem that websites external to the project are not the most useful instrument for promoting the initiative, but precisely because these are websites that have been running for a longer time and have a network of users with the same profile as the promoter, they are really practical for disseminating the projects.

This same positive relationship appears with videos. Promoters such as Bayus and Kuppuswamy (2013) have talked about the importance of this audiovisual support. According to their study, projects with lower targets, of a shorter duration and that have a video, have a greater possibility of harvesting support from patrons, just like projects with many categories of rewards and those that have colons in their titles.

And the same thing occurs with the conventional media (radio, press, television, etc.). After analysing the data it can be concluded that the convergence between an alternative method of funding such as crowdfunding and the more traditional media for dissemination provides very positive results. It must be taken into account that introducing information and advertising into the conventional media, so saturated by companies and initiatives of all kinds, is a complicated process and occasionally a costly one. Probably it is for this reason that projects with smaller dimensions do not devote their resources to achieving a space on these media.

Those promoters that affirmed that before launching the crowdfunding campaign they had been promoting the activity for some time and had a broad community of friends/followers interested in their initiatives, also showed higher rates of use of other methods of dissemination. Equally, they indicated that these turned out to be more efficient than for the others. This allows us to confirm that people with active and substantial social networks are more likely to also approach other media for dissemination and that in addition they are more skilful at using them.

4.2.12. POSITIVE CONSEQUENCES OF CROWDFUNDING

The promoters agree that they achieved more with their crowdfunding campaign than simply a financial sum, mainly gaining popularity for the project (66.3%) and creating a special connection with the public interested in the project (60.4%). Approximately one third of those surveyed also affirmed that they reached a geographically distant audience or one with which they previously had not achieved contact, that they had studied the possible reception that the product/service could have in the market and that they had increased the popularity of the promoter or the promoting team. Finally, close to a tenth of the promoters also mentioned the fact that they had created a valuable network of contacts and had built up momentum to be able to access other sources of funding.

4.2.13. MOST IMPORTANT FACTORS FOR A CROWDFUNDING PLATFORM

Finally, promoters were asked what they considered was most important when selecting a crowdfunding platform as ideally suited to their campaign. It is surprising to observe the similarities, because they only highlight slightly the advisory services (49.3%), the platform's cost or fee (46%) and the methodology that it uses (45.5%). When mentioning the methodology we are referring to the duration in days of the campaign, the method of selection, the website, etc.

It is at least worthy of highlight that the two factors least mentioned are the percentage of success of the projects published (30.8%) and the advertising of the projects in the community of users (31%), when these are two aspects that can be decisive in achieving the planned financial target.

5. Conclusions

The objective of this study was to gain in-depth knowledge of the traits and experiences of the promoters of cultural crowdfunding campaigns in Spain. But we have also used the opinions and impressions of these promoters to confirm some considerations, raise doubts about others, and propose several new ones. Below we will briefly review this succession of ideas.

The size of the projects is usually somewhere around €2,500. This means that reward crowdfunding is not a method that generally attracts entrepreneurs with major financial needs, as the average capital necessary to launch a business activity in Spain stands at around €65,000 (Navarro, 2009).

This is clearly linked to two characteristics of crowdfunding. Firstly, it must be taken into account that this is a method where many people contribute small sums of money. These resources generally come from the direct work income of internet users, which is very limited. Therefore, to achieve the funding necessary for a large-scale initiative, it is necessary to mobilise a proportionally larger number of people; this is difficult if you do not have the capacity to advertise outside of your most immediate circle.

Secondly, it must not be overlooked that the profile of the promoters seen indicates to us that these are not professionals with a long career and established projects behind them who are leading ambitious initiatives with considerable financial needs designed for the long term. As we have confirmed through this survey, the most common type of promoter is one who considers himself or herself as an artist (whether professional or amateur) but is not yet devoted full-time to their passion. This is intuited from the fact that the majority affirmed that they have not set themselves up as an organisation or as self-employed professionals to develop their project financially. It can also be deduced from this that these are not initiatives proposed with grand plans for the future, because if this were so, they would go through the legal procedures necessary to develop the business correctly on a fiscal level. A lack of track record or experience can also be deduced from their age, which rarely exceeds 40 years. In fact, it has been confirmed that as the age of the promoters increases, so the volume of their projects tends to do so too.

This indicates to us that crowdfunding (and especially rewards-based crowdfunding) is a funding method focused on enabling small initiatives by artists of scarce means to come to fruition. In fact, we have already shown that this is a system that in no way substitutes conventional systems, but rather it complements them.

Furthermore, the very system of crowdfunding platforms seems to be designed for these types of ideas that are proposed as the creation of a product or service that is easy to materialise and disseminate. As some researchers have commented, many of the patrons decide on their contribution motivated mainly by the reward, therefore those projects with long-term objectives that are not designed to produce attractive details quickly have significantly more difficulties to reach their target and to be attractive with regard to the public.

Moreover, if we concentrate on analysing the profile of the projects according to some of their characteristics, such as the category, we also find certain relatively stable patterns. Despite the fact that those that apparently attract more attention are Music and Film because they have the largest volumes of projects and highest success rates, they do not offer many more differentiating traits. The category that does follow a clearer pattern is the Games category (basically board games, which is the majority subcategory). This sector is clearly the one that works best when taking forward initiatives of a certain scale, being the category that requests the most resources and that succeeds with the greatest margin. This good performance will be the reason behind the fact that they enjoy the highest index of repeating promoters and of promoters constituted as companies, although curiously it also attracts the highest number of amateur artists. Also linked to this success, is the fact that they are the ones that have the greatest sensation of having reached a new audience and of having been able to study market behaviour with respect to their product. And the fact is that board game projects can be grouped among those not designed and disseminated on a local level, but that are successful all over Spain.

As a profile that is almost the opposite to this category the pattern of Community projects can be studied. Projects of this type are led above all by social facilitators constituted as non-profit organisations, focusing on taking forward local initiatives. Given that these are usually associations or similar made up by a group of people, their presence on the social networks and their list of contacts is much broader, in addition to the efforts being shared between more people. Furthermore, they have access to financial resources outside of crowdfunding. Due to all this, they especially enjoy the experience and show greater satisfaction with the money raised and more willingness to repeat the experience.

However, this analysis by categories is not the only aspect that this study has covered in depth. With respect to other sources of funding used or attempted, we have equally gone into detail in a brand new way. We have thus reached the

conclusion, ignored to date, that really promoters do not resort to crowdfunding because they feel rejected by the other methods of funding. Rather, they resort to it because due to its characteristics it is more appropriate for this system than for any other, although they are aware that this probably means they will have to complement the funding with their own resources.

Other issues that have been reviewed here are, for example, the motivations that lead promoters to resort to crowdfunding and the importance of dissemination. With respect to the first, it is important to highlight that although the majority primary motivation is financial need, surprisingly the promoters were not unanimous in their answers. There is a considerable percentage of them who have other priorities, such as the fact that micropatronage is an alternative system that is very different from the traditional systems. The fact that this was the second most-selected option indicates how important it is for users of crowdfunding to have the possibility of developing initiatives outside the more rooted systems.

And with regard to the subject of dissemination, we have confirmed that since crowdfunding is a system based on achieving the maximum possible number of “fans” among people not involved in the project, this becomes the key that makes it work. If to this we add the fact that the greater part of the activity takes place on the Internet, the focus of attention is placed on the social networks, which become an essential instrument for ensuring success in the campaign, whether on a local or national level.

However, despite the large number of aspects that have been covered by this study, due to limitations such as time and own knowledge, there have been many aspects which it was not possible to study: the backers or patrons, the promoters of other platforms with or without success, the impact of crowdfunding on culture, the evolution of projects once the campaign is completed, the legislation in force, etc.

In any event, there is time ahead to carry out these studies, since there is no reason to intuit any decline of crowdfunding anytime soon. The first people to indicate this are the promoters themselves with the high rates of satisfaction shown in the questions on how their campaigns went and what valuable aspects they obtained thanks to the campaign, as while they are happy they will continue to drive the platforms with their projects. However, the general population is also of this opinion. Some 70% of internet users surveyed in the study by Barral (2015) believe that crowdfunding will continue to grow “because it increasingly interests more people”.

Within this continued growth being experienced by the system, reward crowdfunding and the cultural sector will play an especially prominent role. The first because, as we have mentioned previously, it is preferred by those who make contributions, and the second because as we have said also, it has characteristics that mean that it is perfectly adapted to micropatronage. In fact, while this situation of economic crisis lasts, meaning that there is a shortage of resources for culture and for all sectors in general, all entrepreneurs have a justified reason for asking people for money. But when the crisis wains, the rest of economic activities will no longer have such justification and yet, culture will continue to enjoy the favour of the patrons simply because they enjoy giving their support to these initiatives.

On the other hand, it is true that crowdfunding has certain limitations linked to the size of the market on which it is focused. However, this segment of the population to which it is mainly directed has not yet been exhausted, as there are still people who are not clear about what micropatronage is and consequently have not yet decided to participate in it. In addition, it must be taken into account that the coming generations are increasingly more predisposed towards this kind of online participative dynamics; therefore society will feel increasingly comfortable with this concept.

But what is important for this activity as for any other is its legal regularisation. It is difficult to assess a market and be able to set strategic measures for it if its dimensions and dynamics are not well known, and this is impossible if not set within a well-established legal framework with a certain level of control.

6. Bibliography

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