

Issues with crowd-funded video game projects not delivering on their promises to backers

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Crowd-funding has become increasingly popular as a way to fund game development in recent years, this paper reflects how games are marketed in crowd-funding and the ethics of not delivering on promises to backers.

1 Introduction

Crowd-funding has become a new popular way to fund video games[1], as Kickstarter alone has provided funding for over 450 video game projects (as of 2013) [2].

This paper will compare a few recent failed game projects and analyze what they promised they were going to deliver and why they failed.

Game development that is crowd-funded are normally an open, ongoing communication with the developers and backers, which is in contrast to

traditional publishers, where the developers typically don't communicate with their fans [3].

Some crowd-funded games often increase the scope of the game after the game gets more funding, which in-turn sets back the release date of the game. A particularly egregious example of this is "Star Citizen" [4]. This title asked for £2.0M in funding, but as of November 2016 it has received over £132.5M. However this means that the scope of their game has increased remarkably and pushed the release date of the game back significantly, and as of Nov-2016, they do not have an estimated release date.

2 Are crowd-funded campaigns not delivering on promises to backers?

A study found that most kickstarted projects manage to deliver their products, around 91% of all kickstarted projects succeed [5]. However according to Chung et al. [6] the success rate of crowd-funded campaigns is falling because of projects launching without enough preparation.

Kickstarted projects will usually provide a detailed outline of what the proposed game will contain then they launch the project, this often contains stretch goals for if the project gets more funding than they requested. Furthermore in some cases some projects will rethink aspects of the game depending on the backers feedback [3].

In the case of Peter Molyneux's game "Godus", it raised £526,563 on kickstarter [7], and failed to deliver on a lot of its kickstarter promises, as it was advertised as a primary PC game, with support for mobile but ended up being only available on mobile devices [8].

Another prime example of this is a kickstarted game called "Yogventures"

which was based around the Youtube group called the Yogscast. They raised £457,482 and the game failed because they over-scoped the game, furthermore the backers would not be getting any refunds [9].

3 Do crowd-funded games often advertise too much to try and gain popularity and end up never delivering?

Advertising has a large part to do with the success of a crowd-funded game [10, 11]. It may be tempting when starting a crowd-funded project to over-scope to try and get as much support as possible, even though the product is too ambitious. This may be partly due to novice crowd-funders thinking starting up a crowd-funding project would require less work and skill than they expect [1].

4 Should crowd-funded games be treated less like an investment?

The backers often refer to themselves as “investors” in crowd-funded games, however this is not true because they do not gain a profit from the video game [2]. This means that if the game fails they do not get their money back, and in comparison with games financed by publishers, if the game is not completed then players can ask for a refund.

The crowdfunding platform Kickstarter mostly uses the All-or-Nothing funding model, which has a success rate of 43% [12]. However other crowdfunding platforms such as IndieGoGo and RocketHub use a keep-what-you-raise funding model, where the creators keep all the money they raise, even if they don’t reach their goal [12].

5 Conclusion

Crowd-funding is still relatively new, with little in the way of academic literature on the ethics of crowd-funding, the findings presented in this paper still requires further research to determine if video games are advertising too much in their crowd-funding campaigns.

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