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KICKSTARTER

FINTECH INDUSTRY

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Data Science and Economics

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Introduction

- Kickstarter is an American public benefit corporation that maintains a global Crowdfunding platform focused on creativity.
- Based in Brooklyn, New York
- Launched in 2009

Terminology

- **Creators**: request funding for a project
- **Backers**: support a product voluntarily
- **Project**: the idea of the creators
- **Funding goal**: the amount of money needed to complete the project
- **Rewards**: experiences or products that backers receive from the creator for their support

How it works

It is a marketplace where:

1. The creators launch their project on the platform with a set funding goal.
2. Describe ideas using images, videos and set rewards to backers.
3. The rewards can be divided in tiers based on the amount of the support from the backers.
4. If funding goal is achieved, the backers' cards are charged with the amount they've pledged
5. The backers will receive the rewards as promised.

Categories

Kickstarter is specifically for creative projects in the following categories:

Art	Comics	Dance	Design	Film/Video	Food
Games	Journalism	Music	Photography	Technology	Theater

Start a campaign

1. **Create an account**: insert some personal information and the password

2. **Describe your project** :
    1. key of the success of the project
    2. Creator Book with some tips

3. **Set your rewards** : credible goal and suitable rewards

4. **Connect you bank account** : to receive the funds.

Creators

Idea → Funding goal → Rewards → Launch project → Wait goal → Get money → Send rewards

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Find → Support → Wait goal → Pay money → Receive rewards

Backers

Value proposition

It offers a set of primary value propositions:

- **Accessibility:** web-site and app
- **Risk reduction:** no risk in starting a project, free
- **Performance:** platform manage everything
- **Brand:** possibility of creating a community or a brand

Busines model

Profit

- 5% commission fee on the total funds raised
- fee for payment processing 3%-5%

Costs

- Areas of customer support
- Administration
- Employers

<u>All fixed cost</u>

The most funded project

- The project is **Pebble**
- $1M in 49 minutes
- Raise $20.4M in total
- 78,741 backers

Pebble helped to lead the current smartwatch trend in the early part of this decade.

De La Soul

American hip hop group get his project funded:

"Kickstarter is one of those platforms that gives you space to work with people who know you, love you, and support you."

Conclusions

- Kickstarter's mission is to help bring creative projects to life.
  They believe that art and creative expression are essential to a healthy and vibrant society
- Kickstarter is growing day by day as the number of projects
- The platform started in 2009 and projects collectively raise $5.6 billion now.
- 500.000 project, the 38% of them have been successful.

Questions?