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Pebble Saw the Future: Kickstarter as a Marketing Platform

“Money has always been a huge barrier to creativity. We all have a lot of ideas we’d like to see get off the ground, but unless you have a rich uncle, you aren’t always able to embrace those random ideas” (Lapowsky). The Pebble watch was the first commercially-viable smart watch. And it started as a thought from a few guys who wanted to build a better watch. Entrepreneurship can start out as simple as that. Yet, it is the power to be able to sell that idea that makes the difference. Marketing is designed for that. But the team at Pebble decided against a more traditional marketing approach. They went to a new website that had recently surfaced on the tech radar. Enter Kickstarter, the most well-known crowdfunding site today. Here, the Pebble team, and their product found untold waves of excitement and money for a team that had never developed anything before. Kickstarter has helped a number of companies jump into success. And now, because of Kickstarter’s rampant success, even more crowdfunding platforms exist today. In fact, it could be argued that crowdfunding is the future to marketing, as proven by Pebble and other companies’ success.

The Pebble watch started out as another watch, helped out by Y-Combinator (YC), a seed investor. In fact, it was one of the few projects in its year at YC to actually gain investor funding. But it was not called the Pebble. It was called the InPulse watch. Exclusively for BlackBerry devices and select Android devices, it was essentially the Pebble with a great many

features not existing quite yet. But, as many start-ups in Silicon Valley can attest to, it was not very popular, and it did not go as far as CEO Eric Migicovsky wanted it to go. This was most likely due to two reasons. One being the platforms it depended on, Blackberry and very few Android devices. The other due to its limited funding. Migicovsky, even while being one of the few people to raise investor funding during their time at YC, only raised \$375,000. Although this can sound like a substantial amount of money, it is not in the grand scheme of startups. Migicovsky later talked on the issue, saying, “Hardware is much harder to raise money for. We were hoping we could convince some people to our vision, but it did not work out.” But Migicovsky was not done with the idea of the smartwatch. Nor was he done with the inPulse watch. Migicovsky decided to launch a new, updated version of his watch to a brand new website that had only come out recently. The website’s name was Kickstarter. Under a new name, and with some new additions, the former inPulse was now the Pebble. It not only did the inPulse’s job of providing notifications to your wrist, but it also provided a myriad of apps suited for your wrist. Weather, bus times, and even a coin toss could be launched from it. It was launched onto Kickstarted on April 10th, 2012. Using Kickstarter was a gamble however, and Migicovsky and his team were not sure if the watch would sell enough to be commercially viable. Within two hours, the campaign had hit \$100,000, enough to be commercially viable. On May 18th, the final funding total was \$10,266,846 (Pebble). Needless to say, the Pebble was a rounding success in the technology industry, and even broke the current Kickstarter record at the time for the highest project ever funded. In fact, its sequel, the Pebble Time just took that title over its old watch raising over 20 million dollars. In fact many other companies have started very successful products through Kickstarter. Some probably would not have had any success had it not been for the Kickstarter platform (Netburn, Milian).

Kickstarter was launched in 2009. It is a website/company dedicated to crowdfunding. Crowdfunding is not a new concept. In fact, it is a very old one, harkening back to the days that people interested in an artists' future work chipped in money directly to them to help the artist fund their work. The more money funded to the artist, the longer they had to work on the piece before they needed to start something new, essentially. However Kickstarter helped start a crowdfunding craze in Silicon Valley, the hub of new and emerging tech in America. A few famous companies come/operate out of the area, including Google, Apple, Uber, Twitter, Facebook, and finally Pebble. Which is ironic, considering that Kickstarter operations are nestled in The Big Apple, New York City. Perry Chen got the idea for the site when he wanted to start up a concert in New Orleans, but the idea of possibly losing so much money for no one to come was a scary thought for him. Years later, he found a partner up in New York, and they decided to build what is known as Kickstarter. It was not easy however. Some of the discussions with the founders included doubts as to if a democratically-funded project is a good idea. Chen's answer was simple. "What about someone like a sculptor in some small town in the middle of nowhere? They have no way to get into a gallery. No one around them appreciates what they're doing — but the Internet could" (Walker). Kickstarter not only incites the entrepreneurial spirit, but it also allows the normal middle-class to bring projects that their area might not care about, but that the world might. Because of this, Kickstarter has generated a crazy amount of successful projects, with Pebble only being its most successful. The original Pebble watch launched there, and is now in third for most funded projects. Their newest watch, the Pebble Time, just finished their campaign and is now the most funded Kickstarter project of all time, with \$20,338,986 pledged to the project (Pebble Time). A good example of a product that launched that probably wouldn't have gotten to market without the internet's help is

Exploding Kittens. (Disclaimer: I was a Kickstarter backer of Exploding Kittens). A simple card game about crude cats and exploding kittens. Normal marketers and businessmen would tend to shy away from such content, but the internet is weird. The internet as a collective is one of the most open and welcoming groups known, and especially loves it when an individual takes an idea and decides to make an idea out of it. But, there is more to be said about this idea of Kickstarter and more importantly crowdfunding. Although it allows for the average person to start a project, it allows for more than that.

Crowdfunding as a whole is an interesting idea. And in the future, it is going to be one of the few effective ways to market to the whole of America, and maybe the world. Crowdfunding is already catching on in areas outside of Kickstarter. IndieGoGo started as the Kickstarter for movies, and existed before Kickstarter did. But as Kickstarter has expanded to movies, IndieGoGo has expanded to more than just movies. GoFundMe is a crowdfunding site dedicated to helping others fulfill their dreams, whether for charity or personal instead of bringing a product to market. Not only that a website dedicated to crowdfunding litigation lawsuits now exists, LexShares. The idea is catching on, and there's a few reasons for that. As stated before, crowdfunding allows people who normally would not be able to get a project funded to get funded, but that's not the only reason why it is gaining popularity. Crowdfunding lets people invest money into ideas who normally would not be able to invest. The U.S. Securities and Exchange Commission currently does not let anyone but accredited investors invest into any company they want. The rest of America has to go through other businesses, which is why brokers are such a prevalent business. And, it is why crowdfunding sites are so popular too. When you pledge to a crowdfunding campaign, you are investing into a business, or at the very least, an idea. It is exciting to be part of an idea too. Take the Pebble once again. That business

would not have started without the people who pledged to buy a watch, or even pledged more than necessary. Pebble as a business also capitalized on this idea too. When pledging for the original as well as their new Pebble, people who backed the watch on Kickstarter got an exclusive Pebble that will only be available to backers. Pebble recognized their dependence on their backers, and decided to reward them with an exclusive gift, adding to the idea that backers are actually just investors into their idea. Pebble is a great example of a company that understood that crowdfunding is the new way to market to your audience. That alone was proven when Pebble came back to Kickstarter for their next watch. Pebble is not poor on money. They have recently inked deals with Best Buy, Target, and more stores to sell their watches, and have been continuously updating the watch to have incredible new features. Yet, the company decided to return to Kickstarter. This is because of the simple fact that Kickstarter leads to excitement and hype. Being part of a revolution is fun, and crowdfunding sites make that easy. In fact, Issie Lapowsky said it best in her article on Wired, “It [The Pebble Time] represents a subtle change in the role of Kickstarter. The crowdfunding service has become a place where companies that are already widely embraced go to market themselves and drum up excitement for new products (...)” (Lapowsky).

As Pebble and other companies have demonstrated, Kickstarter and crowdfunding in general will be a new standard when it comes to marketing products. Crowdfunding gets people directly involved with a project that seems exciting to them. Plus, due to the restrictions the FEC impose on American citizens it is also one of the few ways that somebody can get directly involved with a project. Plus, it feels more meaningful than buying a limited amount of stock and barely having a voice in a corporation. Sites like Kickstarter have made the platform for these companies, and companies have taken them up on the offer. Pebble is a prime example

and shows just how a project that can be rejected by a local community can grow so big through the power of the internet. Plus, Pebble used their exclusivity well on Kickstarter, by learning how to use it to generate more sales. Overall, crowdfunding allows people to get involved with their favorite ideas or businesses. So much so that the idea is slowly spreading to other industries, and being implemented in brand-new ways. \$1,659,135,688 alone has been raised on Kickstarter. (Stats). That seems like a convincing argument alone to a marketer looking for a way to pitch their next idea.

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