

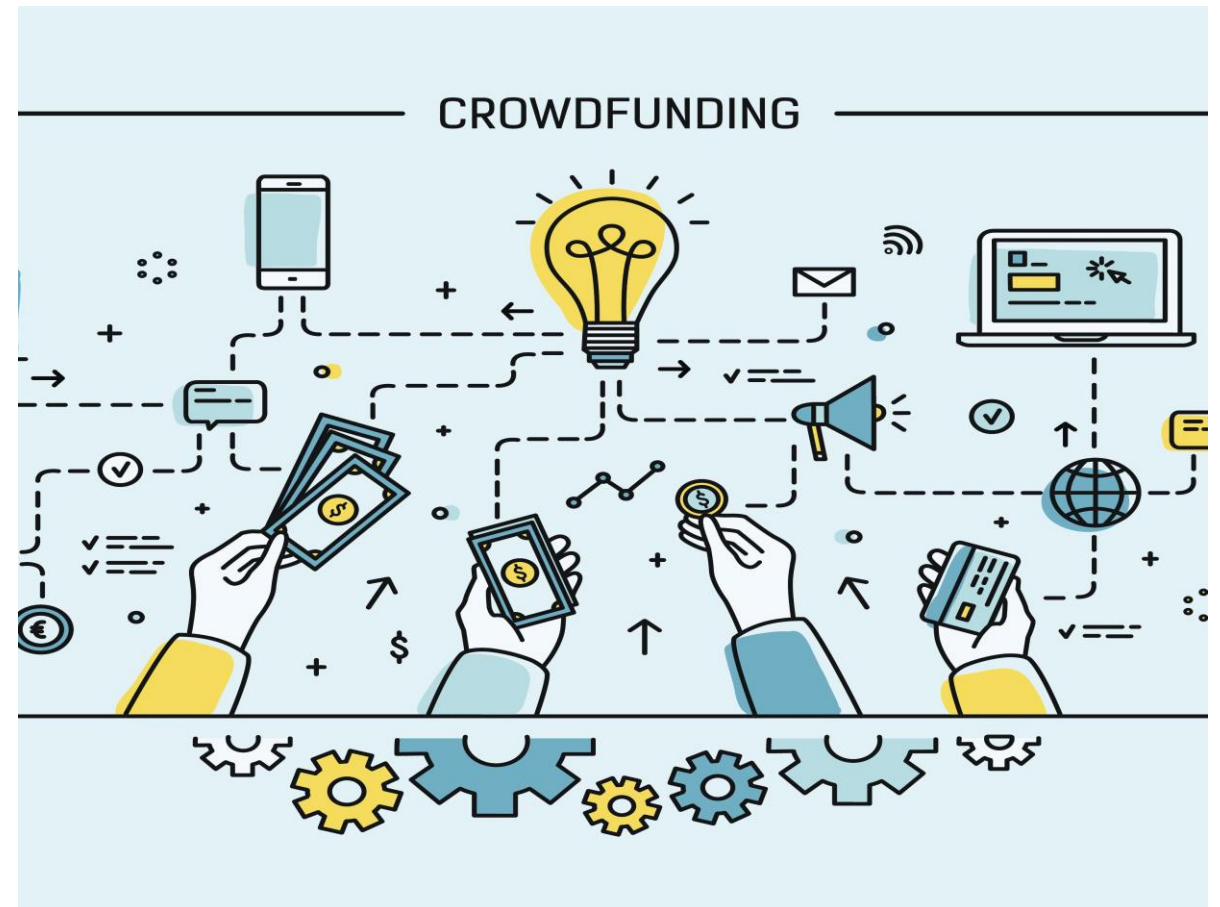


CROWDFUNDING

KICKSTARTER

WHAT IS CROWDFUNDING?

- Crowdfunding is the practice of funding a project or venture by raising small amounts of money from a large number of people, typically via the Internet.
- Crowdfunding is a form of crowdsourcing and alternative finance. In 2015, over US\$34 billion was raised worldwide by crowdfunding.



FAMOUS CROWDFUNDING WEBSITES

The logo for gofundme features the word "gofundme" in a green, lowercase, sans-serif font. Above the "me" part is a green icon of a sun with three rays. A small "TM" trademark symbol is located to the right of the icon.



The logo for Kickstarter features the word "KICKSTARTER" in a bold, green, uppercase, sans-serif font.



WHAT IS KICKSTARTER ?

- Thousands of creative projects are funding on Kickstarter at any given moment. Each project is independently created and crafted by the person behind it.
- The filmmakers, musicians, artists, and designers you see on Kickstarter have complete control and responsibility over their projects.
- They spend weeks building their project pages, shooting their videos, and brainstorming what rewards to offer backers. When they're ready, creators launch their project and share it with their community.
- Every project creator sets their project's funding goal and deadline. If people like the project, they can pledge money to make it happen.
- If the project succeeds in reaching its funding goal, all backers' credit cards are charged when time expires. If the project falls short, no one is charged. Funding on Kickstarter is all-or-nothing



WHY DO PEOPLE BACK PROJECTS ?

- A lot of backers are rallying around their friends' projects. Some are supporting people they've long admired. Many are just inspired by a new idea.
- Others are inspired by a project's rewards — a copy of what's being made, a limited edition, or a custom experience related to the project.
- Backing a project is more than just giving someone money. It's supporting their dream to create something that they want to see exist in the world.
- One of the main reasons as for why people support certain projects is because of the reward system, people want acknowledgment.
- People pledge on Kickstarter and as they like the project.
- They want to get benefited in some way and see the social benefits.
- They want to be involved in something, be part of the group.
- People usually support the project, which they know that it fits with their values.
- People believe that they'll get a special discounted price for backing the project and special perks, which they wouldn't receive otherwise.

WHERE DO BACKERS COME FROM ?

- The majority of initial funding usually comes from the fans and friends of each project.
- If they like it, they'll spread the word to their friends, and so on. Press, blogs, Twitter, Facebook, and Kickstarter itself are also big sources of traffic and pledges.
- Altogether, millions of people visit Kickstarter every week.



WHAT DO BACKERS GET IN RETURN ?

- Backers that support a project on Kickstarter get an inside look at the creative process, and help that project come to life. They also get to choose from a variety of unique rewards offered by the project creator. Rewards vary from project to project, but often include a copy of what is being produced (CD, DVD, book, etc.) or an experience unique to the project.
- Project creators keep 100% ownership of their work, and Kickstarter cannot be used to offer
- equity, financial returns, or to solicit loans.

WHO IS RESPONSIBLE FOR COMPLETING A PROJECT AS PROMISED ?

- It's the project creator's responsibility to complete their project. Kickstarter is not involved in the development of the projects themselves.
- Kickstarter does not guarantee projects or investigate a creator's ability to complete their project.
- On Kickstarter, backers ultimately decide the validity and worthiness of a project by whether they decide to fund it.

HOW DOES KICKSTARTER MAKE MONEY ?

- If a project is successfully funded, Kickstarter applies a 5% fee to the funds collected. All pledges are processed securely by our third-party payments partner, Stripe.
- These payment processing fees work out to roughly 3-5%. [View the fee breakdowns.](#)
- If the project does not reach its funding goal, there are no fees.



KICKSTARTER BUSINESS MODEL

Kickstarter's Fees

Kickstarter is the dominant player in the crowdfunding space. As such, it's hosted over \$1.5 billion in crowdfunding pledges since it launched.

Here's how Kickstarter's fees (at least in the US) break down:

- **Kickstarter's fee:** 5% of total funds raised
- **Credit card processing fee:** 3% + \$0.20 per pledge. Pledges under \$10 have a discounted micro-pledge fee of 5% + \$0.05 per pledge

So, let's do a quick numerical example. Let's say you crowdfund a nice round dollar number for your widget. Let's say it's \$100,000.

- **Kickstarter fee:** Now, Kickstarter is going to take \$5000 in fees (5% of \$100,000).
- **Credit card processing fee:** Also, 3% of your total is going to go to the credit card companies - that's \$3000.

The fees you'll pay will actually be more than \$8000 (\$5000 + \$3000) because there is a small fee of \$0.20 per pledge. But let's say that you have 1000 backers, that would tally up another \$200 (\$0.20*1000).

So, you'd end up with less than \$92,000 on a campaign that raised \$100k on Kickstarter.



HOW DOES KICKSTARTER MAKE MONEY ?

This page is automatically updated at least once a day with the raw data behind Kickstarter. Metrics include funding success rates, amount pledged, and the performance of successfully and unsuccessfully funded projects. Statistics are available for the site overall as well as each of the 15 project categories. Check out [our blog](#) for more on Kickstarter's data.

Projects and Dollars

Category	Launched Projects	Total Dollars	Successful Dollars	Unsuccessful Dollars	Live Dollars	Live Projects	Success Rate
All	294,329	\$2.32 B	\$2.01 B	\$276 M	\$38 M	5,487	36.02%

[> See categories](#)

Successfully Funded Projects

Most successfully funded projects raise less than \$10,000, but a growing number have reached six, seven, and even eight figures. Currently funding projects that have reached their goals are not included in this chart — only projects whose funding is complete.

Category	Successfully Funded Projects	Less than \$1,000 Raised	\$1,000 to \$9,999 Raised	\$10,000 to \$19,999 Raised	\$20,000 to \$99,999 Raised	\$100 K to \$999,999 Raised	\$1 M Raised
All	104,033	12,461	60,451	14,658	13,531	2,769	163

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Games	23,775	\$476.83M	\$426.65M	\$45.78 M	\$4.40 M	553	32.97%
Technology	22,122	\$433.14M	\$360.63M	\$59.59 M	\$12.92 M	699	19.79%
Design	20,218	\$427.63M	\$373.92M	\$42.62 M	\$11.10 M	538	33.41%
Film & Video	55,118	\$334.15M	\$280.13M	\$52.19 M	\$1.83 M	652	37.36%
Music	45,815	\$169.89M	\$154.03M	\$14.64 M	\$1.21 M	636	50.28%
Food	19,186	\$96.23M	\$80.38M	\$15.08 M	\$772.13 K	399	25.48%
Publishing	31,223	\$91.75M	\$77.65M	\$12.82 M	\$1.28 M	511	29.55%
Fashion	15,955	\$85.09M	\$72.92M	\$10.51 M	\$1.67 M	419	23.87%
Art	22,048	\$64.50M	\$55.61M	\$8.15 M	\$741.14 K	332	40.75%
Comics	7,631	\$50.62M	\$46.31M	\$3.70 M	\$612.35 K	197	50.74%
Theater	9,354	\$36.76M	\$32.55M	\$3.98 M	\$225.02 K	133	60.30%
Photography	8,940	\$26.38M	\$22.04M	\$3.59 M	\$746.70 K	118	29.34%
Dance	3,144	\$10.53M	\$9.72M	\$727.15 K	\$82.56 K	51	62.72%
Journalism	3,653	\$9.35M	\$7.73M	\$1.41 M	\$204.58 K	91	22.15%
Crafts	6,147	\$8.65M	\$7.08M	\$1.45 M	\$115.71 K	158	23.84%

[^ Hide Categories](#)



Q&A