

An Ambivalent Political Economy of Kickstarter

Aaron Heresco, California Lutheran University

Keywords: Kickstarter, Crowdfunding, Finance, Political Economy, Resistance

Abstract

A critical political economic analysis of Kickstarter highlights the ambiguous nature of contemporary media financing; it simultaneously furthers the incursions of yield-hunting capital yet, at the same time, opens up finance itself as a new site of resistance. The financial backing of media production, most often in the form of debt and/or equity financing, often positions media products as investment vehicles before they are consumer goods. To this end, Kickstarter, the internet-based crowdfunding platform, serves as a useful case study to consider the promises and problems associated with new forms of financing media creation.

In addition to the analytical categories of production/distribution/exhibition, media finance is also a site of power and leverage. As some Kickstarted projects have shown, Kickstarter can be just another financial mechanism that makes the world safer for capital - using public donations as a means of de-risking media investment. Crowdfunding also captures something of the spirit of neoliberalism by disintermediating civic projects, and the people involved with them, while allowing donors the opportunity to fund beloved shows or major music, film, print, or video game projects. Seen from this vantage point, there is nothing alternative about Kickstarter, indeed, it is perhaps even insidious as it asks citizens to participate in their own expropriation. However, a full consideration of Kickstarter reveals that the platform also offers an escape from the confines of capital and the limitations of the value chain. From the frivolous (a Robocop statue) to the serious, (documentaries regarding neoliberal education reforms or Walmartization) Kickstarter offers an alternative vision - one in which profit isn't a precondition for production and gatekeeping is relatively democratic. Crowdfunding also asks us to take account of the relationship between the political economy of media institutions - specifically the capitalist logics that drive them - and the cultural economy related to affective financing of media products. From this perspective, Kickstarter highlights both points of resistance to a capitalized public sphere and the importance of finance as a site of critical inquiry and intervention.

Thinking about the ways media products are financed has long remained part of the “hidden abode” of media creation. It is not only difficult to find substantive data on the topic, but in some instances media products themselves are emptied of all content and become little more than risk, cash flow, and completion bonds (Hofmann, 2012; Torre, 2014). Certainly, not all media financing operates at that level of abstraction, yet it remains the case that, in the words of Picard (2011), media projects “face a variety of economic and financial forces and [media companies] must be operated as a business entity in order to respond to and manage those forces effectively” (1). Analysis of media finance is perhaps less exciting than systematic critiques of conglomeration and corruption within the media industries. Yet it is vitally important if one is to think about what is to be done, both in terms of enacting a new type of media system or uncovering points of intervention to disrupt the old. Focusing on *how* media products are commodified, however important, occludes a far simpler and more revolutionary question: *why* is this so? Kickstarter can be (and has been) used to sever the link between media products and the value chain, and in so doing calls into question Picard’s above statement that media production *must* be commodified. As a crowdfunding platform, Kickstarter also acts as a focal point for the analysis of whether digital and decentralized platforms can operate as alternatives to capitalist logics, instead of being just another manifestation of them. To this end, Kickstarter, the internet-based crowdfunding platform, serves as a useful case study to consider the promises and problems concerning the financing of media creation.

Examining Kickstarter, of course, can only tell us so much about media financing and the emergence of crowdfunding. Despite its popularity and the number of headlines surrounding its use, Kickstarter represents only a small fraction of the money spent on financing media production. Additionally, it is only one of a number of crowdfunding platforms that aim to link entrepreneurs and media creators with new capitalization opportunities. Thus, one must be careful not to overstate the importance of Kickstarter within the larger context of media financing. Nevertheless, Kickstarter is important as a symptom and symbol of a media system in financial transition. Whether Kickstarter portends a decentered and democratized apparatus of media finance, or merely another in a long line of mechanisms through which media products are wrapped up in the value chain, remains to be seen. Indeed, that Kickstarter currently exemplifies this dialectical tension between capitalist logics and their alternative makes the crowdfunding site a compelling object of study. Can Kickstarter sever the linkage between media production and assumed profitability as either financial objects or consumer goods? Or, as Birkinbine asks, with respect to open source software, will alternative financial configurations survive the logics of accumulation (Birkinbine, 2014)?

Overview of Kickstarter

Kickstarter bills itself as “a new way to fund creative projects”. The self-described mission is “to find a way to bring creative projects to life” (“Seven things to know about Kickstarter,” 2013). Founded in 2009 by Yancy Stricker, Perry Chen, and Charles Adler, Kickstarter sought to take advantage of the web as a mechanism for connecting creative projects with those people willing to financially support them. Perry Chen describes the idea as:

[Kickstarter] just came from this feeling that there was this need for creative people to raise money for their projects. And this was really an efficient way to do it. There were a lot of other beneficial effects, like the building of a community around an idea

and the connection of people to an idea in a very, very different way than as consumers (Malik, 2012).

For the Kickstarter founders, the notion of media consumers was antiquated. Individuals engage with media content not merely as a purchaser, but also as a fan, marketer, critic, or financial contributor.

The model for Kickstarter is a relatively simple one. Projects (including films, video games, journalism, and technologies) are uploaded to the Kickstarter website with a funding goal and a deadline. Project creators can also include information about possible non-monetary rewards for supporters, often including t-shirts, stickers, acknowledgments, or copies of the finished product. These are incentives in which social and cultural capital have supplanted economic capital in the funding process. Donations can range anywhere from a minimum of \$1 dollar to a maximum of \$10,000, the upper limit in place to avoid a securities law that categorises any investor who invests over \$10,000 as a shareholder. If the funding goal is reached by the deadline, the funds are distributed through Amazon Payments and Kickstarter retains 5% of the total funding provided. If the funding goal is not reached, the backers' credit cards are not charged and all proposed funding is canceled. Since its inception, over \$2.3 billion dollars have been pledged through Kickstarter, and over 104,009 projects have been successfully funded (Kickstarter.com, 2016)

There are a number of important features of the Kickstarter model that bear noting here. First, the creator retains complete control and ownership of their work. Second, Kickstarter sees itself primarily as a platform and does its best to remain uninvolved in the production process – although it has recently taken steps to limit the promotion of technology devices in favor of more creative and artistic products (Masnick, 2012). Third, the reward-based model differentiates Kickstarter from both other crowdfunding ventures, as well as more traditional models of project financing, through what Stanfill (2013) and Scott (2015) deem 'fan-ancing'. Jason Mittell, writing of his own \$50 contribution to the Veronica Mars Kickstarter, writes that "I may have no equity stake in the project, but I do have an emotional one (which is arguably worth more than what my meager funds could purchase in profit sharing)" (2013). The lack of an equity stake has the potential to reframe the relationship between media production and financial logics, specifically as fandom is leveraged for donations (rather than investments) in media production (see Galuszka and Brzozowska, 2015). While fans' emotional connections to a media property are monetized, often to the delight of the fans themselves, it is noteworthy that they receive no economic return from their donation. The Veronica Mars film, eventually distributed by Warner Bros., is merely one example of how crowdfunding can be integrated into traditional commodity structures. Projects ranging from Reading Rainbow [1] to a Kickstarted potato salad that raised \$55,492, speak to the variability of projects and the ways in which Kickstarter can disrupt financially-driven media production (Brown, 2015). For the founders of Kickstarter, this simple idea is part of a larger worldview. Perry Chen argues that Kickstarter moves away from the "industrial creative complex of movie studios, record labels and production houses" and that "mass production is coming to an end . . . as we enter an internet-enabled phase" that allows creators/makers to "find an aggregate audience for what seems to be small niches and ideas" (Malik, 2012). We should be wary of such idealism, but Kickstarter's position with regards to both "mainstream" media financing and other crowdfunding initiatives does warrant a closer consideration of these ideals (and if Kickstarter is capable of meeting them).

Despite the recent acclaim of crowdfunding initiatives, some form of the practice has been around since the 1700s. Subscription models were used to help translate The Iliad into English in

the early 1700s, to help Mozart fund his music later that century, and to support Comte's work on philosophy and positivism in the middle of the 19th century. In 1885 Joseph Pulitzer used his newspapers to solicit public donations for the completion of the Statue of Liberty – eventually accumulating \$102,000 dollars from over 120,000 people (“The Statue of Liberty and America's crowdfunding pioneer,” nd). One of the first contemporary deployments of crowdfunding was undertaken in 1997 by fans of the British music group Marillion. American fans, desperate for a U.S. tour, raised over \$60,000 dollars to fund the bands 21-stop tour across the country (Golemis, 1997). Using email and message boards, the campaign was rather archaic by today's standards, but it did show how the digital crowd could bypass traditional finance mechanisms in the funding of artistic projects.

Although the rise of Kickstarter may have shone a public spotlight on the idea of crowdfunding, it is far from the only crowdfunding platform (CFP) available today. Massolution, a firm that specialises in crowdfunding, employs four general models: donation-based (philanthropically-based, with no expectation of reward), reward-based (funders earn back a non-financial return or acknowledgement), lending-based (funders are returned some portion of their donation at a later date), and equity-based (funders earn financial returns or an ownership stake) (Massolution, 2013). There are numerous configurations and gradations between these general models, with some CFPs combining multiple models. Additionally, the percentage the CFP takes from total funding can vary from 0% to 25%, depending on the specific aims and markets of the organization. All of this is to say that, despite the present focus on Kickstarter, crowdfunding is a growing practice across the world and an increasingly important source of funding for entrepreneurs / artists.

Crowdfunding vs ‘traditional’ media finance

Historically, much of the earliest production of media/art was paid for through a patronage model in which wealthy benefactors would commission artwork or literature. Classical works of art were often funded through patronage, notably pieces by Leonardo Da Vinci, Shakespeare, and Mozart. The rise of bourgeois capitalism in the late 1800s shifted matters of financing the arts toward more publicly-transacted (i.e. commercial) forms. Commercial projects grew in importance as advertising became the primary vehicle through which art and media were brought into the public realm. The specific mechanisms through which media content is financed depend largely on two factors: the size of the firm and its institutional history. Larger and more well-established media producers have an easier time attracting capital than startups and small-scale creators. Established firms can turn to self-generated or borrowed capital, asset backed securities, equity investment, direct loans, gap financing, discounting of distribution agreements, tax credits, bridge lending, completion bonds, and royalty financing as part of their financing and capital accumulation strategies (Hofmann, 2012). All of these, it should be noted, are subject to the imperative and logic of capital accumulation – specifically lowering the cost and raising the return of capital, both of which can be a substantial motivator for media conglomeration (Picard, 2011). Larger and more successful media firms can also pay for media production out of working capital by rolling over the revenue and/or profit from earlier media products to pay for future production.

Many of these approaches are closed off for newer firms, startups, or independent ventures – most often due to the increased risk of financing new ideas and media products (Vogel, 2014: 129). The same logic that has led to a proliferation of sequels in the film industry and the growing importance of established intellectual properties works in reverse: without a ‘built-in’ audience or a

solid idea of expected market performance, it becomes difficult to attract investors who are combing the globe for the highest rates of return at the lowest risk. For newer firms or projects, financing generally takes the form of friends and family, debt financing, incubators, angel investors, venture capitalists, or strategic investors. As the relatively expansive list of financing strategies suggests, media producers have a number of options when it comes to attracting capital, but at the core of each remains the financial logic of risk and return. Kickstarter, as a platform, has the *potential* to circumvent traditional financial motives by situating crowdfunding as an alternative to the risk/return incentives of debt and equity financial structures. The importance of debt and equity financing as mechanisms is that they help shape the conditions in which media, in whatever form, are able to be produced. In slate financing film deals, for example, the media product may be imagined (and securitized) as a cash flow before the film idea is even conceived (Hofmann, 2012; Owcarski, 2012). To see more clearly how Kickstarter deviates from traditional media financing, some exploration of debt and equity financing may be useful.

Debt Financing

At its most basic, debt financing provides capital at the current ‘price’ of the return of that capital plus interest over a specified term. Although this definition seems relatively straightforward, it can cover everything from a simple small business loan for an aspiring documentary producer to a complex asset-backed security deal (which can include both debt and equity elements) for a global media conglomerate (Suquet, nd). The cost of capital for media producers depends largely on the perceived ability of the borrower to pay interest on the loan, as well as the length of time until repayment. Macroeconomic factors come into play here, as the willingness of banks to lend and the relative profitability of various industrial sectors can all influence the ability to take out a loan. The simplest, a small business loan, is similar to most consumer loans. Independent media creators take their project to a bank or loan agency and pitch their idea, and the bank’s distribution of funding is contingent upon expected repayment (including interest), the production schedule, and the anticipated completion date. Anything from the intellectual property of a film or video game to the home and assets of the media producer can count as eligible collateral to secure the loan, which the media producer is obligated to pay back whether or not the media product ever materializes (Monga, 2005; Philpot and Jahnke, 2005).

Debt financing for larger firms can be substantially more complicated. Although larger media companies are more likely to have working capital, they are also more likely to need substantial capital infusions to finance larger media projects. Securitization has become an important means of acquiring low-cost capital for larger media firms[2]. Both DreamWorks and Miramax have previously agreed to movie-backed securitization deals. A DreamWorks deal from 1997 securitized future film receivables in a \$325 million dollar offering. The 3.3 year bonds offered 22 basis points (i.e. 0.22%) over LIBOR (London Interbank Offered Rate), and were “backed by the expected revenues of 14 live action movies” (Reinebach, 1997). Five years later DreamWorks acquired another \$1 billion in financing through a securitization that “relie[d] on expected revenue from movies yet to be released as well as expected cash from a library of old DreamWorks films such as ‘Saving Private Ryan’ and ‘Shrek’” (‘DreamWorks Secures \$1.5 Billion in Financing’, 2002). In both of these cases bundles of films were capitalized through market mechanisms that weighed risk against expected returns (with revenue from the blockbusters offsetting potential under-performers). The Miramax securitization in 2011 used a financing structure similar to that of the famed ‘Bowie

Bonds', in which the future revenue streams of pre-existing media products were securitized (Tempkin, 2011). Here, the revenue of future media sales and distribution was pledged as collateral to secure a \$325 million loan. Revenues were thus redirected to the bonded investors until the term of the bond expired. Of course, capital has a cost. McMahon, writing on the intersection of risk, capital, and film, argues that:

confidence in the capitalization of cinema can increase if risk perceptions about the volatility of a film's earnings can be decreased. Thus, capitalists are interested in creating a cultural environment where films have financial trajectories like comets in the sky. If the world of cinema can be made to have 'stable' laws of motion, vested interests can depend on this machine-like regularity when it translates the art of cinema into the quantities of capital (2013: 24).

Both McMahon and Janet Wasko (2008) thus argue that financial considerations are vital to the production of film and to analyses of the film industry. The expectations of financial returns fulfil a "gatekeeping" function in the production process – capitalization will flow only inasmuch as expected returns eventuate. Securitization has also been used in the music and video game industries, offering larger firms more flexibility and lower capital costs than a traditional bank loan (Chen, 2012; De Sear, 2006; Katz, 2007; Sylva, 1999).

Equity financing

Contrary to simple debt financing, equity financing does not involve interest-bearing repayments of loans, but instead exchanges acquired capital for a share of future returns or an ownership stake in the company. For larger media institutions, equity financing will generally take the shape of common or preferred stock. Issuance of stock offers shares of a company's future equity as well as a voice (often representative) in its governance in exchange for an initial investment in the form of a stock purchase. An initial public offering (IPO) of a stock allows private investors to sell their shares on the open market, often generating massive returns – as in the case of the recent Facebook IPO. For small or startup firms, equity financing most often involves venture capital or angel investors.

Many startups do not have access to capital markets (either in the form of debt issuing or stock shares), and so a turn to equity financing allows for an influx of funding without concern over immediate debt repayments. Venture capital, generally fronted by investment banks and wealthy investors looking for an above-average rate of return (corresponding to increased risk), will provide infusions of capital in exchange for an equity share in the company. A share in management decisions and a seat on the board may also be offered. As equity financiers have a direct interest in future cash flows, their concern with creative content is generally surpassed by an interest in profits. Venture capital is generally medium and message-agnostic, the concern is with risk, the rate of return, and the length of investment, and not with the specific strategies or messages of the project (Anand, 2013).

Angel investors, on the other hand, are often more involved in the specific industry of the startup. They also operate, generally, at a lower capital threshold, and will help fund startups in return for both a debt and equity stake. As of 2011, there were over two million angel investors who invested \$20 billion dollars per year in around 60,000 businesses. In comparison, 1,000 venture capital firms invest around \$30 billion per year in around 4,000 businesses. Despite their differences, both angel investors and venture capitalists expect to earn around a 25% rate of return

on their investment, although the expected rate of return fluctuates according to large economic trends (Hollas, 2011). Daniel Lehman, writing about Slated, a new equity-based investment mechanism for film, states:

Unlike other crowdfunding sites such as Kickstarter or IndieGoGo, which rely on a series of small donations from multiple donors, films on Slated are more likely to find financiers who can invest a majority stake in a project and are seeking a return on their investment. Ideal projects are narrative feature films with budgets \$500,000 to \$15 million or more, and documentaries with broad commercial appeal with budgets between \$250,000 to \$2 million (Lehman, 2012).

The key point here is that for equity investing, return-on-investment is the primary motivating force. This often entails managers influencing the creative process and personnel in an effort to optimize profits. For example, in 2013 Steven Soderbergh told an audience “I could tell you a really good story about how I got pushed off a movie because of the way the numbers ran but if I did I’d probably get shot in the street and, uh, I really like my cats” (quoted in Gillane, 2013). The numbers, in this case, indicated to investors that their return on investment was likely to be lower than expected.

The intricacies of debt and equity financing options are less important here than the basic tradeoffs involved in the process of media financing. Debt financing, for example, allows media creators to retain ownership of their products and/or companies. One of the risks involved is that the loan repayment may become difficult if cash flow problems eventuate. Additionally, taking on a large amount of debt can make acquiring additional capital prohibitively difficult. Equity financing, on the other hand, has a higher floor, but a lower ceiling. The risks are taken largely by the investors, who, in exchange for their investment, control a portion of the company/product in terms of both equity and management decisions. In the event of cash flow problems, the media creator does not have to repay any loans; in the case of commercial success, however, the media creator must share the profits with the equity shareholders.

According to both debt and equity financing logics (as well as almost every other strategy of financing media creation) assumed-profitability predates production. In order for a media product (film, investigative report, video game, television show, etc.) to reach the production stage, it must show not just the potential, but the likelihood of profitability in order to attract capital. The growth of focus groups, market research firms, surveys, polls, and algorithmic decision-making all speak to the financial risk-reduction strategies at work in the creation of media products. Peter Bart, editor in chief of *Variety* and a former executive of Paramount Pictures, notes that:

The studios are if anything more risk averse. They are desperate to hedge their bets. It’s the nature of bureaucratic self-protection. Every unit of a multinational corporation has to meet its numbers. That pressure is reflected in the kind of pictures that get made . . . The old time studio bosses followed their hunches. Today, these green-light decisions are very much a question of committees, focus groups, rule by consensus. Not exactly a recipe for art. (quoted in Croteau and Hoynes, 2006 p. 161).

As controlling and commodifying risk becomes an increasingly important aspect of media production, some firms are beginning to turn to algorithms as decision making aids in the face of market risks (see Beck, 1992; Bryan & Rafferty, 2005; Hacker, 2006; Smith, 2013).

Crowdsourcing, crowdfunding, and the cultural economy of Kickstarter

Recent trends in digital technology and the growing thirst for higher rates of return on capital have combined to form a renewed interest in crowds. More specifically, crowdsourcing and crowdfunding have been two popular approaches in the offloading of productive capacity to areas outside the traditional value chain. Crowdsourcing “takes place when a profit-oriented firm outsources specific tasks . . . in the form of an open call over the internet with the intention of animating individuals to make a contribution to the firm’s production process” (Kleemann, Voß and Rieder, 2008, p. 6). Although crowdsourcing certainly predates the internet era, it has largely been used to harness “the productive potential of millions of plugged-in enthusiasts” as businesses “tap the latent talent of the crowd” (Howe, 2006). In more critical terms, crowdsourcing exploits a hidden and often unpaid army of skilled labor in the interests of capital accumulation (Brabham, 2012). Participation in crowdsourcing is generally driven not by the compulsion to sell one’s labor power, but instead by a particular interest and set of skills that relate to the problem or project being addressed. As such, crowdsourcing allows organizations to leverage the engagement of laborers in the gathering of free (or underpaid) labor power.

If *crowdsourcing* concerns itself with the organization of labor from outside the corporate form, *crowdfunding* aims at the gathering and organization of capital. Crowdfunding of media projects leverages fan engagement to attract micro-capital to facilitate the production of media goods. Suzanne Scott summarizes the difference as follows: “In the case of crowdfunding that involvement begins and ends with financial donation, while crowdsourcing presumes that the project’s creative team will welcome a variety of contributions. Fan-anced projects are forced to straddle these two categories, and their expectations surrounding involvement” (2015: 172). Thus crowdfunding capitalizes Jenkins’ (2006) “affective economics” of fandom through an internet-based financial engagement with media projects. Although a critical eye toward history would suggest that, in the words of Jenkins, a “deeper, more emotional connection between the consumer and the product” (61) is ultimately another tool of capital accumulation, it is too simple to thereby dismiss the changes Kickstarter promises.

Kickstarter and value

A relevant illustration would be the 2014 release of the *Veronica Mars* film. Following the cancellation of the *Veronica Mars* television series, creator Rob Thomas turned to Kickstarter to fund the film after Warner Bros. opted not to finance the production. The Kickstarter campaign became one of the most successful ever, raising over \$5.7 million from over 91,000 contributors (Fritz, 2014). Although the ‘revolutionary’ pronouncements within the industry may have been overblown, the conversion of fan engagement into fan financing (fan-ancing) made manifest Jenkins’ earlier pronouncement on affective economics within the cultural industries. Kickstarter offered a perfect outlet for fans/consumers who were “active, emotionally engaged, and socially networked” (Jenkins, 2006: 20). For Hills, the capitalist cooption of *Veronica Mars* fans leads to a “dialectic of value,” in which the use and exchange value of fandom is contested. “The emotional investment of fans’ use value is therefore ‘costed’ – transformed into exchange value and production capital for the movie – on the basis of offering experiences and products which feel personal rather than standardised commodities, again drawing on the underlying logic of affective economic[s] . . .” (2015: 192). The use-value for fans of *Veronica Mars*, argues Hills, rests with

fans' "auto-commodify[ing] their love for the show, transforming their own use value into exchange value by converting affect into capital" (191). Although Hills' analysis of the use-value is quite instructive, the term *capital* here is misleading. If, as Harvey (2010) argues, capital is a process centered around putting money into circulation to make more money, then fans' monetary contributions often exist outside the logic of accumulation which underpins the process of capital.

Turning emotional investment into financial investment is a key feature of Kickstarter, but this shift is often complex and contested. For instance, Scott (2015) argues that *Veronica Mars* is emblematic of a shifting moral economy between fans and creators in which the notion of creative control is questioned. If fans Kickstart a film such as *Veronica Mars*, are media creators "beholden to the textual desires of their fan-ancers, and if so to what extent might fan-ancers function as creative scapegoats if the project is unsuccessful" (2015: 179)? Rob Thomas, the creator of *Veronica Mars*, stated that the Kickstarter campaign was his "last throw of the dice" in bringing back the beloved TV show (John, 2014). Success, in this case, had much more to do with the creation of the product as such than its commercial viability or subsequent profit. The *Veronica Mars* film became a touchstone for larger academic and trade conversations about the power of Kickstarter, but those discussions often overlooked media finance in favor of an emphasis on fandom and fan cultures (e.g. Booth, 2015).

For the founders of Kickstarter, *Veronica Mars* is only one example of how new mechanisms of financing can change the media landscape. As founder Perry Chen argues, 'disruption' is a key aspect of the Kickstarter model. The disruption process may range from merely changing the gatekeepers of capital access, to shrinking the importance of studios in the creation of art and media products, to breaking the mechanics of the value chain (Bulajewski, 2012; Younkin and Kashkooli, 2016). On the latter point, one could conceive of media products as outside the value chain itself (a documentary given away for free). Alternatively, firms would trade the risky and intensive process of media production and creation for the management of distribution and exhibition rights. Kickstarter, as a platform, may be used for critical projects that disrupt the flow of capital or those that advance it.

For example, the proposed documentary *Bangkukuk*, "is a collaboration between Art of Solidarity and village leaders aimed at sharing their story with the international community. Our goal is a feature-length documentary film that will give voice to the many communities, organizations, and activists at the front lines of the indigenous rights and anti-canal movements in Nicaragua" ("Bangkukuk - Documentary Film," 2016). Unlike *Veronica Mars*, *Bangkukuk* is unlikely to receive Warner Bros. financing in exchange for international distribution rights. For smaller projects like *Bangkukuk*, production can proceed without a guarantee, or even a likelihood, of profitability and distribution. Echoing the sentiments of Shirky (2009) and Surowiecki (2005), crowdfunding emerges as a creative, populist and democratic force that seeks to upend traditional models (including those that rely on studios and major financing arrangements). Caution must be exercised here. The democratization of cultural production *may* entail renewed interest in small, local, and critical projects whose lack of profitability minimizes the potential to attract capital. Conversely, it may also mean 'populist' or ironic content rises to the fore whereas avant-garde or innovative content is left on the wrong side of a funding gap. Many crowdfunding platforms other than Kickstarter, it should also be noted, retain financial incentives, operating as either equity or debt-based enterprises – AngelList and Fundable being notable examples. Thus, there is nothing *inherently* disruptive about crowdfunding (or crowdsourcing). Whatever disruption does arise via Kickstarter will reflect the set of logics and incentives that underlie its financing of media

production. Celebrations of Kickstarter's revolutionary nature therefore need to be situated within the broader political-economic context.

Towards a political economy of Kickstarter

It is noteworthy that Kickstarter launched in the wake of the 2008 financial crisis. Although modern day crowdfunding began in 1997, it was not until 2009 that it became a major source of financing for startup and media firms (Fundable, n.d). This was due in large part to a widespread liquidity crisis and disinvestment as capital sought both safety from financial turbulence and coverage for pre-existing positions. Venture capital fled to safety, dropping by roughly 60% in 2009 while 2011 saw a major decrease in seed funding amidst a general tightening of the credit markets (Block, Sandner and De Vries, 2010; Foremski, 2012; OECD, 2009). Block and Sandner (2009) contend that risk aversion and the desire for liquidity of venture capital led to a funding gap for startups. Venture capital moved away from early round (riskier) financing and toward later-round financing of more established firms.

Kickstarter functions as a near risk-free 'bridge' across this funding gap. Either as early-round financing for larger media projects (*Veronica Mars*) or as total financing for small/independent projects (*Bangkukuk*). Kickstarter based funding is contingent upon contributors' willingness to donate. With new media products being risky and established media firms looking to cut costs, crowdfunding serves as a new mechanism of seed financing which allows risk-averse capital to concentrate on 'mature' projects and those with more certain future returns.

In addition to the *Veronica Mars* film, Kickstarter was also used to provide early funding for Zach Braff's *Wish I Was Here*, the sequel to *Garden State*. In each of these situations, studios were unwilling to assume the risk of financing these projects outright (or demanded creative control to do so). Crowdfunding provided both initial financing *and* an indication of the potential market success of media projects. In Braff's case, the initial \$2.6 million raised by Kickstarter was combined with Braff's own money and financing from Worldview Entertainment; the financier agreement exchanged initial funding for the right to overseas sales (Child, 2013). The financing came in during the pre-production stage. The exclusion of traditional Hollywood financing gave Braff directorial freedom in the casting, writing, and directing of the film. More traditionally, as directors seek funding they must make concessions that are aimed at profitability rather than authorial intent. The backers of *Wish I Was Here* demanded no such concessions, settling instead on a production diary for a \$10 donation, an advance film screening and a Q&A session for \$100 (or a meet and greet for \$600 and more). Kickstarter donors provided the early funding as a gift, whereas financier funding was supplied after the risk was diminished and for the purpose of a financial return. Here, the "disruption" emphasized by Chen is more of a co-optation; crowdfunders covered the riskier rounds of early financing whereas venture and equity capital collected the economic rewards of distribution or later round financing. The backers also had to purchase their own movie tickets upon release.

Crowdfunding in other contexts

The crowdfunding model has also been extended into the fields of scientific research (Crowdfunding Platform for Scientific Research, nd) and civic and municipal projects (Citizinvestor - a crowdfunding and civic engagement platform for local government projects, nd). Citizens are increasingly left to fund-it-themselves as capital chases yield across the globe. While austerity discourses and debt doomsayers continue to lambast government spending, it appears

likely that Kickstarter (or other crowdfunding platforms) will become a fund-it-yourself mechanism that positions media production and socio-civic projects within a patronage model that makes the world ‘safer’ for capital. This patronage 2.0 reinforces a transactional culture in which notions of the common good are eclipsed by consumerist individualism. This outlook sees the will of the public not in any sort of civic space or action but in the social media profiles and disposable income of a donor class. From this perspective, Kickstarter is not just a reaction to widespread financial disinvestment (in terms of de-risking and capitalizing later-stage projects). It is also a model for new forms of social participation that rest on disposable income and engagement-as-consumption.

Kickstarter and other crowdfunding mechanisms fill in the funding gaps left by austerity (for example, in arts funding, education, and municipal budgets) and offer web-based benefaction as a new politico-economic model. It is not then just the *wisdom* of crowds to which we should turn, as Surowiecki (2005) contends, but also the *capital* of crowds (Lawton and Marom, 2013). Befitting market populism, it is within this financial-democratic order that the problems of a hollowed-out public sphere morph into the virtues of participatory culture and the democracy of the dollar.

Of course, the one-dollar, one-vote model of economic and/or civic participation carries with it troubling implications with regards to social class. If Kickstarter enables citizen-consumers to directly fund media projects or creative works, this invites questions about the increasing socio-political importance of disposable income. In the context of Kickstarter, projects that appeal to a well-off and technologically savvy class would be far more likely to receive funding than those that did not. It stands to reason that, generally speaking, media production would be oriented toward a majoritarian and wealthy audience – in much the same way and for the same reasons as more traditional media production. Social class would again be stamped upon a media system that privileges monetary interests in the form of donations. In fact, it would arguably be even more pernicious, as the ostensibly democratic character of crowdfunding (a pretense not usually assumed by ad-supported media) would naturalize the form and content of media production under a populist banner. This would effectively obscure the class relationships that drive content behind the veil of the communitarian will. In this neo-patronage model, benefactors with disposable income contribute to a superficially democratic media system in which the importance of money/capital as a social relationship is occluded.

Going one step farther, Kickstarter can also be seen as an extension of consumer culture. The sociality of crowdfunding – of exploiting social networks and resources – produces the consumption of production. Contributions to Kickstarter campaigns are often accompanied by a social network update about the contribution and the direction of the project. This performative presumption alerts friends and acquaintances to the project, and situates the donor in an active and affective relationship to the product (and financing campaign). From this perspective, Kickstarter contributions begin to appear as merely another articulation of conspicuous consumer culture: but with a twist. If, as Bell (1996) contends, consumption has replaced production as the locus of capitalism, Kickstarter takes this logic to the next step by making production itself consumable. Donations not only entitle donors to rewards (depending on the size of the donation) but also infuse donors into the production process itself.

Another element of Kickstarter that has so far gone unmentioned is its connection to the new world of work. The Post-Fordist era’s focus on creative and flexible work fits foot-in-boot with the Kickstarter ethos of promoting artistic and creative projects. The notion of a stable occupation and regular wage remuneration, reminiscent of White’s “Organization Man” is incommensurate with the aesthetic labor which Kickstarter as a platform generates. Structured and ‘secure’ labor is, at best,

an artifact from another time, and at worst works against the style and romance of the independent artist. The creative and culture industries in particular have seen an immensely profitable growth in the reserve army of creativity, with a wealth of contractors, fresh graduates, and interns available to offer “hope labor” in exchange for social esteem or the promise of future rewards (Kuehn and Corrigan, 2013). The romanticizing of creative labor, like a magic trick, sees virtue emerge in place of exploitation. Workers are encouraged to revel in the flexibility and autonomy that accompanies precarious labor – and the periodic wages that it garners (Florida, 2014; *contra* Vidal, 2013).

Kickstarter therefore formalizes a set of economic relationships through which labor is individualized and depoliticized. There is no factory floor or widespread site of sociality, as cognitive labor demands a turn inward to creative and mental faculties. Kickstarter does enlist laboring bodies, but often sequesters them in the name of creativity. Although some strides have been made toward labor solidarity in the creative industries, the majority of workers are politically isolated and locked in perpetual struggles for what meager remuneration is available.

As a funding platform that enables artists and creators to produce various projects, the discourse of Kickstarter also corresponds with the precepts of an emergent ideology of austerity. By moving away from communitarian values and by fetishizing creator-entrepreneurs whose individual efforts succeed or fail in a meritocratic marketplace, Kickstarter privileges a capital-centered view of citizenship and civic participation. On the one hand, Kickstarter has promised a ‘democratic’ virtual space in which anyone, regardless of financial status, can post a project and solicit donors. On the other hand, Kickstarter only functions if those with disposable income put it to use in the patronage of creative projects. Whether it be funding an independent film or a news magazine, socio-economic participation is seen as transactional; private, contractual, and deregulated.

Why an ambivalent political economy?

Offering a critical political economy of Kickstarter is perhaps too pat, too negative, and too incomplete to capture the contested and ambivalent nature of the platform. David Hesmondhalgh (2007) makes two important notes regarding analysis of the media industries. First, continuity must be theorized as well as change, and second, the media industries are complex, contested, and ambivalent. Thus, an analysis of Kickstarter must take heed of both the continuity/change dynamic, as well as the complexity of a financing model/platform that seems to democratize media finance while opening new projects and possibilities for capital accumulation. Simple explanations, both of the critical or laudatory variety, eschew nuance and obviate the dialectical relationship between Kickstarter-as-escape and Kickstarter-as-capture. On one hand, Joel Johnson (2014) argues that Kickstarter funding for the Oculus Rift merely served to make the project safe for venture capitalists. On the other, projects such as *Don't Dream Its Over* (a book on reforming journalism in New Zealand) and *Class Action* (a booklet on the negative impacts of neoliberal reforms on the Chicago school districts) – offer a glimpse of crowdfunding as a site for the financing and production of critical media projects. These projects, among thousands of others, suggest that Kickstarter can circumvent traditional financing methods and help change the processes of media production. The changes fall under three primary categories: production disruption, disintermediation, and democratic locality.

Breaking the economic chain

Kickstarter's greatest potential is to enable a move away from purely financial incentives in media funding. As long as the foundation of media production is oriented around rates of return and shareholder value, critical and independent media will be threatened – either by cooptation or drowning out. By breaking this fundamental link, media transforms from a financial vehicle for the accumulation of capital into a cultural product with its own (social) life. Here project specifics become important, as crowdfunded journalism may carry with it a different set of expectations than a crowdfunded video game or documentary. The former initiative is more of a public good than private entertainment (Carvajal, García-Avilés and González, 2012). Even the idea that one is a contributor (versus an investor) carries certain expectations in regard to the reason for entering into the arrangement and the expected payoff. Nonetheless, the *disruption* that Kickstarter founder Perry Chen mentions relates directly back to the idea that Kickstarter offers artists and media creators a way of developing products outside the calculative logic of financial return from the value chain. Both the debt and equity options (outlined previously) fundamentally and inextricably link media products to their profitability; media texts are commodities first and foremost. Kickstarter makes it possible to fund media projects outside a profit nexus. While it would be overstating the case to link Kickstarter to gift economies (as Kickstarter contributions exist somewhere between donations and pre-orders), it is the case that Kickstarter campaigns *can* sever the economic link that connects the production of media with the valorization of capital. Whether it is *Niche*, a crowdfunding public dance performance, or *Real Boy*, a documentary about the maturation of a transgender musician, the profitability of the project is secondary to its social/cultural importance. If the engine of Kickstarter is passion instead of profit, then the crowdfunding platform highlights the importance of culture and sociality in the construction of (media) markets (McCloskey, 2010; Wherry, 2012; Zelizer, 2011). Whereas culture has always already been a part of the commodity circuit, Kickstarter allows for a different set of socio-cultural values, not aligned with the profit motive, to guide the process of media creation. In addition to the material element of the disruption, there is also an ideological one. Much like the shifts emerging in the wake of 'maker' culture, Kickstarter upends the capitalist narrative about the natural inevitability of market formations. If the profit motive is not an irreplaceable component of media production or social collaboration, the absurdity of the neoliberal mantra that 'there is no alternative' is laid bare.

Disintermediation

The shift away from the profit incentive noted here is accompanied by the disintermediation of media production. In short, Kickstarter can replace the need for intermediaries – be they corporations, banks, investment groups, etc. – in the process of media production. Although Zach Braff's *Wish I Was Here* traded distribution rights for later-round financing, small-scale media producers can fund their entire project through Kickstarter. This removes the debt/equity tradeoffs of financing and allows the producer to retain creative control and intellectual property and distribution rights (instead of trading those to a media firm in exchange for production, distribution, or exhibition agreements). Of course, the downside of such an arrangement lies in the fact that without major studio or exhibitor backing, it is much more difficult to achieve widespread distribution – an issue that Lawton and Marom (2013) argue can be overcome through embracing what is truly *social* about social networks and crowdfunding/crowdsourcing. The new intermediaries are no longer banks, corporations, investors, or agencies, but rather the network

infrastructure and social nexus that brings together producers, contributors, followers, and social media sharers who can all help build a community around media texts. None of this is to say that corporations and banks will wither on the vine, but it does, in the words of Leigh Alexander, “creat[e] space for invention in risk-averse or economically-constrained spaces” (Alexander, 2014). It also provides critical and radical media projects a financial space in which the content of a message is more important to a community than its commercial viability.

Democratic locality

Lastly, Kickstarter often promotes quite small and local projects that are of limited financial viability. Small scale musical recordings, local pamphlets and newsletters, and documentaries are frequent projects listed on Kickstarter. For example, 293 backers raised \$13,098 for the production of “The Dark Side of Disney,” a documentary that examined how people can become addicted to the Disney experience. Many Kickstarter projects are also locality-specific, such as the example of “*Class Action*,” which focused on the greater Chicago area, or a campaign to raise \$82,000 dollars for the Polk Theater in Lakeland, Florida. Although Kickstarter is situated to take advantage of the world-wide reach and scope of online crowdfunding, many of the projects appeal to niche geographic or demographic audiences. Communities, whether abandoned by capital or awash in it, can thus exercise collective will in the funding of various documentaries, magazines, art, newsletters, etc. Citizen-contributors can directly fund (or help create) the projects they find valuable and participate in a community built around creative endeavors. Thus the point-of-origin in the media landscape is shifted from the commercial priorities of a firm and its shareholders to the values and agency of local and global communities.

Kickstarter should not be read, however, as a panacea for the neoliberal hollowing out of the public sphere, nor as an ideal system in its own right. The linkage of democratic ideals with monetary donations contains its own set of ideological and material problems. Nonetheless, that Kickstarter has funded projects ranging from *Dyke '88*, which examines the lesbian scene in San Francisco during the 1980s, to *The Education Beat*, a community news organization focused on local schools in Charlottesville, North Carolina, speaks to the potential of the platform to promote localism and participation outside of a profit incentive. The collective will here need not always focus on matters of great importance. For example, Kickstarter collected \$67,436 for the creation of a ten-foot Robocop statue to be placed in the city of Detroit. Despite its triviality, or perhaps because of it, the project exemplifies a new form and space of democratic action. Bannerman (2013) writes that: “The true significance of crowdsourcing and crowdfunding lies not just in their technological innovation, but also in the way they shift mindsets and realities around organizational possibility, potentially reinforcing and extending, or even altering, the traditional organization of cultural production”. In shifting a mindset about cultural production, Kickstarter democratizes the media landscape by allowing citizens to start, fund, and/or participate in projects of their choice.

Conclusion

New legislative frameworks and a continuation of austerity discourses situate Kickstarter as an important site of media and cultural production. From funding small scale documentaries and newsletters to early-round financing of major motion pictures, the role of Kickstarter (and other crowdfunding platforms) harnesses the power of social networks to capitalize media production. The emancipatory potential of the platform – its ability to facilitate new mechanisms of media

finance and new types of media products – needs to be weighed against crowdfunding as a means of transferring risk from capital-investors to citizen-consumers. That Kickstarter can simultaneously function as a mechanism for the democratization of media finance as well as a free gift to finance capital speaks to the complex, contested, and ambivalent nature of the political economy of crowdfunding. The tension here is important, and any analysis that fails to account for both aspects misses the fundamental point that Kickstarter is, in addition to everything else, a political-economic project. As such, it is both mutable and illustrative - the former in that policies and activism can change the direction of the platform and the types of media that are produced; the latter in that the decision to fund projects and their actual operation speaks to the strategies of media financiers (and the types of content that might be viewed as either too-risky, too small, or too unprofitable).

Perhaps the most important aspect of Kickstarter is that it promotes both engagement with, and attention to, the financing of media products. The ability to contribute to a radical media documentary, the return of *Reading Rainbow*, or a pamphlet on neoliberal education reforms in Chicago folds the public into the media production process. In fact, it is this wide spectrum of Kickstarted projects that necessitates an ambivalent evaluation of the platform. That everything from small radical media newsletters to mainstream motion pictures can be funded through Kickstarter makes definitive statements difficult. In addition, Kickstarter itself is barely eight years old, and the direction it takes in the future is anything but certain. However, the recent emptying out of public coffers and the rise of austerity discourses would indicate that a fund-it-yourself model may grow in importance in the coming years. This in-sourcing of media financing – whether as an opportunity to revive a bottom-up culture and move away from conglomerate control, or as merely another step in the evolution of financial capital - opens up possibilities for new critical media content and a reinvigoration of public interest in the processes and practices of media production.

Finally, this analysis of Kickstarter suggests that the standard practices and critiques of political economy may be well served by closer engagement with other intellectual trajectories, among them cultural economy and the social studies of finance. Analysis of the commodity form, the sale of audiences, industry structure, and digital commodification are all vital in understanding contemporary issues. However, at least in the context of Kickstarter, focusing solely on the exploitative elements of the platform overlooks the potential both for new financial arrangements and incentives, as well as the independent and radical projects involved. Neither side of this debate tells the entire story, and insisting upon continuity in the face of change (or vice versa) moves neither theory nor analysis forward. Taking a full account of new technologies, institutions, and tactics requires a set of tools beyond merely a hammer or a pedestal.

Author Bio

Aaron is currently an assistant professor at California Lutheran University. He teaches in the Bachelor's Degree for Professionals program and the Communication department for traditional undergraduates. Aaron's current research interests concern the ways in which media perpetuate financialisation and how financialisation impacts the media industries.

Endnotes

- [1] *Reading Rainbow* was a 30-minute program that aired on PBS Kids with the aim of encouraging children to read and explore literary worlds. The program was canceled in 2006, but a 2014 Kickstarter campaign headed by host LeVar

Burton raided \$5.4 million dollars. The goal was to create new content for schools to use, free of charge for those schools in need, and update *Reading Rainbow* for digital distribution.

- [2] Securitization is the process in which cash-flow producing assets (licensing rights, merchandising sales, international distribution rights, etc.) are bundled so that they can be converted into interest-bearing securities. Investors purchase these securities (infusing the issuing company with capital) in exchange for claims on future interest and principal payments from the assets.
- [3] Common stocks entitle shareholders to share in a company's profits through dividends of stock appreciations. They also have voting rights proportionate to the amount of stock owned. Preferred stockholders do not have voting rights like common stockholders, but do receive regular dividend payments and have more senior claims on capital allocation in cases of insolvency. Due to regular dividend payouts, preferred stock functions somewhere between a bond and a common stock.
- [4] *Veronica Mars* stars Kristen Bell as a high school / college student who moonlights as a private investigator. The show ran for three seasons, and although it received critical acclaim and multiple award nominations, the passion of its fanbase was not enough to make up for its small size and the show was cancelled. Capitalizing on this passion, the Kickstarted film, which raised \$5.7 million dollars, revisits Veronica seven years after the end of the third season as she attempts to exonerate her ex-boyfriend of the murder of a pop star in New York City.

References

- Alexander L (2014, January 15). Now we own you: Another caution for crowdfunded content. Available at: http://gamasutra.com/view/news/208636/Now_we_own_you_Another_caution_for_crowdfunded_content.php (accessed 25 January 2014).
- Anand R (2013) Angel investment funding vs. venture capital investment - The real story. Available at: <http://www.venturegiant.com/news-channel-355-angel-investment-funding-vs-venture-capital-investment.aspx>
- Bangkukuk - Documentary Film (nd) Available at: <https://www.kickstarter.com/projects/1296534739/bangkukuk-documentary-film> (accessed 9 May 2016).
- Bannerman S (2013) Crowdfunding culture. *WI: Journal of Mobile Media* 7(1). <http://wi.mobilities.ca/crowdfunding-culture/>
- Beck U (1992) *Risk society: Towards a new modernity*. London, Newbury Park, Calif.: Sage Publications. Available at: <http://www.loc.gov/catdir/enhancements/fy0656/92050272-d.html>
<http://www.loc.gov/catdir/enhancements/fy0656/92050272-t.html>
- Bell D (1996) *The cultural contradictions of capitalism* (20th anniversary). New York: Basic Books. <http://www.loc.gov/catdir/enhancements/fy0831/96041616-b.html>
<http://www.loc.gov/catdir/enhancements/fy0831/96041616-d.html>

- Birkinbine BJ (2014) Conflict in the commons: Towards a political economy of corporate involvement in free and open source software. *The Political Economy of Communication* 2(2).
<http://www.polecom.org/index.php/polecom/article/view/35>
- Block J & Sandner P (2009) What is the effect of the financial crisis on venture capital financing? Empirical evidence from US Internet start-ups. *Venture Capital* 11 (4), 295–309.
<http://doi.org/10.1080/13691060903184803>
- Block J Sandner P & De Vries G (2010, January 27) Venture capital and the financial crisis: An empirical study across industries and countries [MPRA Paper]. Available at: <http://mpra.ub.uni-muenchen.de/20287/> (accessed 17 November 2013).
- Booth P (2015) Crowdfunding: A Spimatic application of digital fandom. *New Media & Society* 17(2), 149–166. <http://doi.org/10.1177/1461444814558907>
- Brabham D C (2012) The myth of amateur crowds. *Information, Communication & Society* 15(3), 394–410.
<http://doi.org/10.1080/1369118X.2011.641991>
- Brown Z (2015) Potato salad. Available at: <https://www.kickstarter.com/projects/zackdangerbrown/potato-salad> (accessed 23 April)
- Bryan D & Rafferty M (2006) *Capitalism with derivatives: A political economy of financial derivatives, capital and class*. UK: Palgrave Macmillan.
- Bulajewski M (2012, June 3) Crowdsourcing for capitalism. Available at: from <http://www.metareader.org/post/crowdsourcing-for-capitalism.html> (accessed 5 October).
- Carvajal M, García-Avilés JA & González JL (2012) Crowdfunding and non-profit media. *Journalism Practice*, 6(5–6), 638–647. <http://doi.org/10.1080/17512786.2012.667267>
- Castrataro D (2011) A social history of crowdfunding. Available at: <http://socialmediaweek.org/blog/2011/12/a-social-history-of-crowdfunding/#.Uh-ZUT-3XGU>
- Chen YS (2012) A feasibility analysis of the box-office as the asset-backed securitization to meet the financing needs for creativity industry. Master's Thesis, Department of Insurance, Chaoyang University of Technology. Available at: <http://ir.lib.cyut.edu.tw:8080/handle/310901800/30283> (accessed 7 December 2016).
- Child B (2013, May 16) Zach Braff Kickstarter controversy deepens after financier bolsters budget. Available at: <http://www.theguardian.com/film/2013/may/16/zach-braff-kickstarter-controversy-deepens> (accessed 17 November 2013).
- Citizeninvestor - a crowdfunding and civic engagement platform for local government projects (n.d.). Available at: May 29, 2015, from <http://www.citizeninvestor.com/> (accessed 29 May 2015)
- Croteau D & Hoynes W (2006) *The business of media: Corporate media and the public interest* (2nd ed.). Thousand Oaks, Calif.: Pine Forge Press.
- Crowdfunding Platform for Scientific Research (n.d.) Available at: <https://experiment.com/> (accessed 29 May 2015).
- De Sear E (2006) Why Hollywood turned to securitization. *International Financial Law Review* 25, 50.
- DreamWorks Secures \$1.5 Billion in financing (2002, August 24) *Los Angeles Times*, p. 0. Los Angeles, Calif.
- Florida R (2014) *The rise of the creative class - revisited: Revised and expanded*. New York: Basic Books.

- Foremski T (2012, January 20) Are VCs abandoning seed funding? Report shows massive 48% dive in one year - SVW. Available at: http://www.siliconvalleywatcher.com/mt/archives/2012/01/startupwatch_ar.php (accessed 17 November 2013).
- Fritz B (2014, February 22) “Veronica Mars” to break the mold for movie releases. *Wall Street Journal*. Available at: <http://www.wsj.com/news/articles/SB10001424052702303636404579397322240026950?mg=reno64-wsj&url=http%3A%2F%2Fonline.wsj.com%2Farticle%2FSB1000142405270230363640457939732240026950.html>
- Fundable (nd) Available at: <http://www.fundable.com/crowdfunding101/history-of-crowdfunding> (accessed 17 November, 2013).
- Galuszka P & Brzozowska B (2015) Crowdfunding: Towards a redefinition of the artist’s role – the case of MegaTotal. *International Journal of Cultural Studies*, 1367877915586304. <http://doi.org/10.1177/1367877915586304>
- Gillane S (2013, April 29) SFIFF: Steven Soderbergh says art of cinema is under attack from the studios decries profit driven decision making. Available at: <http://www.indiewire.com/2013/04/sfiff-steven-soderbergh-says-art-of-cinema-is-under-attack-from-the-studios-decries-profit-driven-decision-making-98816/>
- Golemis D (1997, September 23) British band’s U.S. tour is computer-generated. *Chicago Tribune*. Available at: http://articles.chicagotribune.com/1997-09-23/features/9709230071_1_music-fans-newsgroup-marillion
- Hacker JS (2006) *The great risk shift: The assault on American jobs, families, health care, and retirement and how you can fight back*. Oxford ; New York: Oxford University Press. Available at: <http://www.loc.gov/catdir/toc/ecip0613/2006015484.html>
<http://www.loc.gov/catdir/enhancements/fy0724/2006015484-b.html>
<http://www.loc.gov/catdir/enhancements/fy0724/2006015484-d.html>
- Harvey D (2010) *The enigma of capital: And the crises of capitalism*. London: Profile.
- Hesmondhalgh D (2007) *The cultural industries* (2nd ed.). Los Angeles; London: SAGE. Available at: <http://www.loc.gov/catdir/enhancements/fy0743/2006930418-d.html>
<http://www.loc.gov/catdir/enhancements/fy0743/2006930418-t.html>
- Hills M (2015) Veronica Mars, fandom, and the ‘Affective Economics’ of crowdfunding poachers. *New Media & Society* 17(2), 183–197. <http://doi.org/10.1177/1461444814558909>
- Hobey, E. (2015, March 13). Massolution Posts Research Findings: Crowdfunding Market Grows 167% in 2014, Crowdfunding Platforms Raise \$16.2 Billion. Available at: <http://www.crowdfundinsider.com/2015/03/65302-massolution-posts-research-findings-crowdfunding-market-grows-167-in-2014-crowdfunding-platforms-raise-16-2-billion/>
- Hofmann KH (2012) *Co-Financing Hollywood film productions with outside investors: An economic analysis of principal agent relationships in the U.S. motion picture industry*. Wiesbaden: Springer Gabler.
- Hollas J (2011) A Comparison of angel investors and venture capitalists. Available at: <https://www.equitynet.com/blog/angel-investors-vcs/>

- Howe J (2006, June 1) The rise of crowdsourcing. Available at: <https://www.wired.com/2006/06/crowds/> (accessed 5 October 2016).
- Jenkins H (2006) *Convergence culture: Where old and new media collide* (Revised edition). New York, NY: NYU Press.
- John E (2014, March 13) Veronica Mars, the movie: 'Fans gave the money, there was all this pressure'." *The Guardian*. Available at: <https://www.theguardian.com/film/2014/mar/13/veronica-mars-movie-fans-money-pressure-return-kickstarter-funded-marshmallows>
- Johnson J (2014, March 26) Oculus Grift: Kickstarter as charity for venture capitalists. Available at: <http://valleywag.gawker.com/oculus-grift-kickstarter-as-charity-for-venture-capita-1551921517>
- Katz AE (2007) Video game financing: Leveraging value of IP assets. Presented at the Game Developers Conference, San Francisco. Available at: <http://twvideo01.ubm-us.net/o1/vault/gdc07/slides/S3726i1.pdf>
- Kickstarter.com. (2016). Kickstarter stats. Available at: <http://www.kickstarter.com/help/stats>
- Kleemann F, Voß GG & Rieder K (2008) Un(der)paid innovators: The commercial utilization of consumer work through crowdsourcing. *Science, Technology & Innovation Studies* 4(1), 5-26.
- Kuehn K & Corrigan TF (2013) Hope labor: The role of employment prospects in online social production. *The Political Economy of Communication* 1(1). <http://www.polecom.org/index.php/polecom/article/view/9>
- Lawton K & Marom D (2013). *The crowdfunding revolution: how to raise venture capital using social media*. New York: McGraw-Hill.
- Lehman D (2012, September 19) Fund your feature film. Available at: <http://www.backstage.com/news/slated-wants-help-fund-your-feature-film/> (accessed 9 May 2016).
- Malik O (2012) Kickstarted: my conversations with Kickstarter co-founder Perry Chen. Available at: <http://gigaom.com/2012/05/22/kickstarter-founder-perry-chen-intervie/>
- Masnick M (2012, September 21) Kickstarter Introduces new rules to try to limit disappointment. *techdirt*. Available at: <https://www.techdirt.com/articles/20120921/13281620462/kickstarter-introduces-new-rules-to-try-to-limit-disappointment.shtml> (accessed 3 June 2015).
- McCloskey DN (2010) *Bourgeois dignity: Why economics can't explain the modern world*. Chicago: University of Chicago Press.
- McMahon J (2013) The rise of a confident Hollywood: Risk and the capitalization of cinema [Article - Journal]. Available at: <http://bnarchives.yorku.ca/362/> (accessed 1 May 2016).
- Mittell J (2013, March 15) Veronica Mars and Exchanges of Value Revisited. Available at: <https://justtv.wordpress.com/2013/03/15/veronica-mars-and-exchanges-of-value-revisited/>
- Monga V (2005) Soft assets and hard cash. Available at: <http://www.pullmanbonds.com/softassets.htm>
- OECD (2009) Venture capital in the economic crisis. In *OECD Science, Technology and Industry Scoreboard*. Organisation for Economic Co-operation and Development. Available at: http://www.oecd-ilibrary.org/content/chapter/sti_scoreboard-2009-4-en
- Ordanini A, Miceli L, Pizzetti M & Parasuraman A (2011) Crowd-funding: Transforming customers into investors through innovative service platforms. *Journal of Service Management* 22, 443–470.
- Owcarski K (2012) Becoming legendary: Slate financing and Hollywood studio partnership in contemporary filmmaking. *Spectator* 32(2), 50–59.

- Philpot C & Jahnke S (2005) Intellectual property: A new form of collateral. Available at: <http://www.bizjournals.com/seattle/stories/2005/03/07/focus9.html?page=all>
- Picard RG (2011) *The economics and financing of media companies*. Bronx, NY: Fordham University Press.
- Reinebach A (1997) DreamWorks prices \$325 mil film ABS deal. *The Investment Dealers' Digest: IDD* 63, 10–11.
- Scott S (2015) The moral economy of crowdfunding and the transformative capacity of fan-ancing. *New Media & Society* 17(2), 167–182. <http://doi.org/10.1177/1461444814558908>
- Seven things to know about Kickstarter (2013) Available at: <http://www.kickstarter.com/hello?ref=nav>
- Shirky C (2009) *Here comes everybody: The power of organizing without organizations* (Reprint edition). New York, NY: Penguin Books.
- Smith SV (2013, July 19) What's behind the future of hit movies? An algorithm. Available at: <http://www.marketplace.org/topics/business/whats-behind-future-hit-movies-algorithm> (accessed 29 May 2015).
- Stanfill M (2013) The Veronica Mars kickstarter, fan-ancing, and austerity logics. Available at: <http://www.melstanfill.com/the-veronica-mars-kickstarter-fan-ancing-and-austerity-logics/>
- Suquet Y (nd) Gamasutra - Can film-inspired project financing work for games? Available at: http://www.gamasutra.com/view/feature/177981/can_filminspired_project_.php?print=1 (accessed 23 September 2016).
- Surowiecki J (2005) *The wisdom of crowds*. New York: Anchor Books.
- Sylva JB (1999) Bowie bonds sold for far more than a song: The securitization of intellectual property as a super-charged vehicle for high technology financing. *Santa Clara Computer & High Technology Law Journal* 15, 195.
- Tempkin A (2011) Miramax revives movie-backed securitization. Available at: <http://www.reuters.com/article/2011/11/04/us-markets-credit-idUSTRE7A35X220111104>
- The Statue of Liberty and America's crowdfunding pioneer (nd) Available at: from <http://www.bbc.com/news/magazine-21932675> (accessed 29 May 2015).
- Torre ML (2014) Financing the audiovisual industry. In *The economics of the audiovisual industry: Financing TV, film and web* (pp. 137–169). UK: Palgrave Macmillan. http://doi.org/10.1057/9781137378477_8
- Vidal M (2013) Low-autonomy work and bad jobs in postfordist capitalism. *Human Relations* 66(4), 587–612. <http://doi.org/10.1177/0018726712471406>
- Vogel HL (2014). *Entertainment industry economics: A guide for financial analysis*. New York, NY: Cambridge University Press.
- Wasko J (2008) Financing and production: Creating the Hollywood film commodity. In P McDonald & J Wasko (Eds), *The contemporary Hollywood film industry* (pp. 43–62). Oxford: Blackwell Pub. Available at: <http://www.loc.gov/catdir/toc/ecip0715/2007014550.html>
- Wherry FF (2012) *The culture of markets*. Cambridge: Polity.
- Younkin P & Kashkooli K (2016) What problems does crowdfunding solve? *California Management Review* 58(2). Available at: http://cmr.berkeley.edu/browse/articles/58_2/5810/
- Zelizer VAR (2011) *Economic lives: How culture shapes the economy*. Princeton: Princeton University Press.