

IMPLEMENTING A CROWDFUNDING CAMPAIGN FOR A PROFIT SEEKING ENTITY IN FINLAND



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Tiina Uusi-Rasi

Tiina Uusi-Rasi

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ABSTRACT

The purpose of this thesis was to shed light on crowdfunding, its possibilities and limitations in Finland through an implemented crowdfunding campaign. Crowdfunding as a topic has not been widely researched and the Finnish rules and regulations regarding taxation and lawful restrictions can be a surprise for an entity planning a crowdfunding campaign. The practical example in this thesis is from game publishing and the development company Ironspine from Tampere, and more specifically, its founder and the designer of the product, Miska Fredman.

In a theoretical frame reference, background information was sought mainly through articles, as there were only two official books written on the topic so far, and only one of those books was available for the author. To support this foundation, more information was sought from the Finnish Taxation Agency and Finlex, which provided the foundation for the regulations regarding crowdfunding. Finally, for the campaign itself, several marketing texts were utilized.

The thesis was concluded by a reflection of an implemented crowdfunding campaign of Astraterra roleplaying game from start to finish. This gave an excellent reflection of the opportunities presented by this new form of funding and demonstrated the practical aspects very well. One aspect stood out the most; attaining suitable channels for marketing is the key.

Keywords crowdfunding, marketing plan, seeking funding, roleplaying game, campaign

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TIIVISTELMÄ

Opinnäytetyön tarkoituksena oli tarkastella joukkorahoituksen mahdollisuuksia ja rajoituksia Suomessa. Joukkorahoitus on uudehko tutkimusalue, ja Suomen lainsäädäntö ja verotus asettavat joitakin poikkeuksellisia haasteita joukkorahoituksen toteuttajalle. Opinnäytetyössä tutkitaan ja kuvataan roolipelien pienkustantamo Ironspinen hanketta. Yritys pyrkii rahoittamaan uuden roolipelin joukkorahoitusmallin mukaan. Ironspine oli työn toimeksiantaja

Työn teoreettinen osuus perustuu joukkorahoitusta koskeviin artikkeleihin, Suomen verotoimiston ja Finlexin tarjoamaan tietoon verotuksesta ja lainsäädännöstä. Lisäksi tutkittiin ja hyödynnettiin kirjallisuutta markkinoinnista ja kampanjasuunnittelusta. Käytännön puolella referenssinä toimivat Ironspinen edellisten joukkorahoituskampanjoiden tiedot ja materiaalit.

Opinnäytetyön tuloksena esitetään kuvaus toteutetusta kampanjasta sen ensiasteista aina kampanjan päätökseen asti. Tämä tarjosi erinomaisen mahdollisuuden tarkastella tutkimuksen tuloksia käytännön kampanjan kautta ja havainnollisti joukkorahoituksen mahdollisuuksia. Yksi asia nousi esille vahvimmin; soveltuvien markkinointikanavien rakentaminen on keskeistä kampanjan onnistumisen kannalta.

Avainsanat joukkorahoitus, markkinointisuunnitelma, rahoitus, roolipeli, kampanja

Sivut 48 s. + liitteet 8 s.

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Appendix 1 Crowdfunding platforms



1 INTRODUCTION

Crowdfunding as a general concept could be tied to history's communal church and temple projects, in which the local communities have collected monetary materials and parts from nearby populace to achieve their community projects. To pay back these donations, the people that took part in this society project would receive honor in the way of plaque or a piece made from the building materials or such. Taking part in such endeavor would also bring prestige to the participants.

Books are also something that has been crowdfunded for hundreds of years: Authors and publishers would laud their book manuscripts in praenumeration or subscription schemes. The book would only be written and published if enough people expressed their interest to buy the book once it was out. This subscription model is not exactly crowdfunding, since the actual transfer of currency only begins with the product. This accumulation of potential buyers has been the source of confidence to bring out some riskier publications. In a certain way, crowdfunding takes this but a step further by expanding the area to areas covered by internet and internet savvy people.

The phenomenon of crowdfunding is older than the term "crowdfunding". The earliest recorded use of the word was by Michael Sullivan in fundavlog in August 2006.

A more solid case of crowdfunding as it is the modern world would be the "Premiere Circulaire Annuelle adressée par l'auteur du Systeme de Philosophie Positive" that was published mid-March 1850 as part of Auguste Comte's scheme to issue notes for the public support of his further work as a philosopher. Several of these notes, blank and with sums have survived.

Today's crowdfunding is a new phenomenon mostly with its use of social media opportunities. It first gained popular and mainstream use in arts and music communities, and slowly spread to other creative outlets such as books, games and innovations.

The first instance of current day crowdfunding has been identified to have taken place in 1997, when fans of British rock band Marillion underwrote their entire U.S. tour. During this period, they raised around US\$60,000 in donations by means of a fan-based Internet campaign. The idea for this project came completely from the fans, who also managed the run of the project, only forwarding the reached sum to the band for tour establishing. Later on though, Marillion themselves took upon this method successfully to gain money for the recording and marketing of their 2001 album *Arachnophobia*, which was henceforth the first crowdfunded recording. This became the trademark for the band, as they continued this with their later albums *Marbles* (2004), *Happiness is the Road* (2008), and *Sounds That Can't Be Made* (2012)

In the film industry the first for this type of investing was with an independent writer/director Mark Tapio Kines, who created a website in 1997 for his then-unfinished first feature film titled *Foreign Correspondents*. In early 1999, he had accumulated more than US\$125,000 in the Internet communities from over two dozen fans, which provided the crew with the necessary investments to bring this project to a final point and ready for publishing.

The first software crowdfunding precursor, the "Free Blender" came about in 2002. The campaign's target was to open-source the Blender raytracer software in a way of amassing \$100,000 from the internet-community, enticing the potential investors with additional benefits for donating members.

Crowdfunding gained even more traction in 2003 with the launch of ArtistShare. Following ArtistShare, more crowdfunding sites started to appear on the internet landscape such as IndieGoGo (2008), Kickstarter (2009), and Microventures (2010). However, in 2006 a group called Sellaband started as a music-focused platform, initially only controlled by the crowdfunding market. This can be attributed to creators and funders, who perceived the platform to be more valuable with more members. Later, Kickstarter gained popularity for its wide-ranging focus. Both of these platforms are known for prohibiting equity funding. Though Sellaband offered revenue sharing, a type of equity crowdfunding, for three years after the platform's founding. It was later controlled by a German company and heightened security restrictions.

The intention of this thesis is to shed light on organizing and running a crowdfunding campaign for a profit seeking company from Finland. This takes into account the specific needs of this campaign type, budgeting for a crowdfunding campaign, marketing materials, channels and plan, as well as running the campaign itself. The author reflects on the current Finnish law regarding crowdfunding as well as the different types of platforms for crowdfunding.

1.1 Company

Ironspine is a Finnish game publishing company focused on traditional games from board games to tabletop role-playing games (henceforth called by the shortening of RPGs) and card games both in Finnish and as well as in English. Ironspine was founded in 2006 by Miska Fredman. Ironspine's first published RPG was *Heimot (Tribes)*, a science fiction role-playing game. Since then Ironspine has published four other RPGs, of which the latest creation 'Astraterra' became a great success, selling out of stock in less than two years. Astraterra was also funded through a crowdfunding campaign.

Website: <http://ironspine.com/wp/en/>

While Ironspine is officially a private enterprise, most of the publications are done with a varied team of designers, illustrators and editors. *Samuli Ahokas*

has been an essential part of Ironspine's operations since 2006 and many of their professional illustrators, like *Olli Juutilainen*, *Jari Paananen* and *Hans Zenjuga*, have worked with them on multiple projects.

They have also collaborated with other Finnish role-playing game publishers and designers. In 2015 they launched an open rules system, *Ironcore Engine*, under Creative Commons licence, that is being developed together with *Pukka Sorsa* and *Ville Takanen* from *Myrrysmiehet Oy*.

Their current goal is to spread to international audiences through their English language versions of their games, such as *Chtonian Highways* (released summer 2016) and a translation and second edition of *Astraterra* (Finnish 2014, English targeted for winter 2016-2017)

1.2 Product to be worked on

Astraterra RPG

Astraterra is a pen & paper role-playing game of wondrous adventures for all ages. The game is set in an amazing fantasy world with steam punk and science fiction elements. What makes Astraterra exceptional is that it's designed for all ages. The background and game mechanics are designed together with children so that they offer challenge and entertainment for kids and adults alike. The children taking part in the design really got involved in creating the setting, equipment, creatures and even the game mechanics — they didn't just playtest the game.

A D6-Based Game system

The game system is simple to use and understood even by beginners. At its core it's a dice pool game mechanic using a regular six-sided dice. You roll dice equal to your Ability and any bonus dice. Each dice that rolls 4 or more is a "success". Sixes can be rerolled for extra successes. If the player gets more successes than the challenging dice roll, you succeed in what you were trying. As the foundation of the game system is designed together with children, consistency and simplicity are key components of the system. The system is still versatile enough to handle many different situations and different gradients of success and failure if necessary. An essential part of the system is that it encourages the players to use their imagination and come up with solutions that fit their own characters' style.

The World of Astraterra

The world of Astraterra is built on the remains of a great ringworld that once revolved around the sun. After the cataclysmic events in the distant past, the civilization was rebuilt and now the civilized people of Astraterra have re-discovered steam power and electricity. Besides these new wonders of tech-

nology and science, some ancient and magic-like tech-treasures still exist. One example of the tech-treasures are the teleports, which can be used for instantaneous travel anywhere in Astraterra. The teleports have been silent for a millenia, and just recently a way to restart them was discovered. But there is a problem: as the ringworld broke into pieces and the teleports lost their connection to one another, there is no way of knowing what lies on the other side of a teleportal. Most of the teleports are still inactive and bold explorers are needed to activate them again and connect them with all the other re-activated teleports. Conveniently, the player characters happen to be bold and adventurous enough to become teleport explorers.

Teleport Explorers

The player characters are treasure hunters and adventurers who have taken the challenge to explore the teleport routes built by the Ancestors ages ago. The players can make up their own explorer from two main components: species and role. There are four major civilized species in Astraterra: Humans, Cavens, Chimeras and Solars

- Humans are the most widespread species in Astraterra. They are considered to be very tough and resourceful folk.
- Cavens are short and stocky creatures with strong limbs. They somewhat resemble turtles without the shell. Cavens live in underground cities and are excellent craftsmen.
- Chimeras are the most varied species of Astraterra. Actually Chimeras are a whole range of different human-animal hybrid species. Chimeras have very keen sense of smell and hearing.
- Solars are a proud humanoid species who live in wandering fleets. Solars have a very slender build with fairy-like features and they have wings.

The second edition of Astraterra will bring two additional species for the player to choose from.

In addition to their species each player gets to choose a role for their hero from four different choices:

- Daredevils are the bold scouts and pathfinders of the expeditions.
- Doctors are the learned scientists and investigators contributing to the expedition with their intellect and vast knowledge.

- Starknights are the protectors of the expeditions. Starknights are wandering peacekeepers trained in the arts of combat and diplomacy.
- Mechanics take care of the expeditions' equipment, and understand the Ancestor machines and devices better than others.

Astraterra's second edition offers two additional roles for the players to choose from.

Astraterra is designed by Miska Fredman and published by Ironspine, an independent Finnish RPG label. Since its founding in 2006 Ironspine has released three other RPGs books before Astraterra. Astraterra was funded with crowdfunding in the summer 2014 collecting over 200% of the goal. Because of the successful funding, Astraterra is now available in Finnish as a hard-cover book with 176 full color pages. The English translation is now in progress and will be published during 2015. Since its release, Astraterra has received a lot of attention in the Finnish and international media. Astraterra was featured in Spiegel.de in October 2014 (<http://tiny.cc/astaterra-in-spiegel>)

1.3 Research Objectives

The main objective of this research is to choose the best platform for the product in terms of crowdfunding as well as create an effective marketing plan for Astraterra RPG's English translation. During this process, it will be of key importance to ascertain the differences in the Finnish and US based crowdfunding landscape and how that should be accounted in marketing planning.

1.4 Research Question

The research question can be defined as the following: "What does one have to know in order to implement a successful crowdfunding campaign in Finland?"

1.5 Research Methods

In order to answer the target question, research was done of the current knowledge available on crowdfunding platforms, digital marketing opportunities and challenges as well as implemented in a suitable marketing plan for this campaign.

The author achieved this by using articles from online publications, a crowdfunding theory book, a digital marketing plan theory book, records from prior successful crowdfunding campaigns completed in Finland, Ironspine's previ-

ous crowdfunding campaign records as well as the author's own experiences through implementing a crowdfunding campaign.

The research will be presented using a traditional report model offered by HAMK, where first a theoretical part presents and clearly defines the main tools generally utilized in marketing planning that are relevant for Ironspine's Astraterra RPG product. These tools include: Porter's five forces and the 8-cell SWOT analysis among others. As many sources have stated before me, marketing planning and strategy are not advised to be separated, and as so in order to set the most suitable strategy for the company and the targeted campaign, the necessary tools need to be taken into account when planning the campaign. It is worth mentioning that this thesis is a product-based thesis, where the product is the actual campaign marketing plan for the commissioning company.

Once the tools have been defined, then the empirical part of the research will be presented, where, by using a mix of quantitative data observed from other successful crowdfunding projects with same target market as our project. And of primary and secondary research, a clear picture of the US-based and Finnish functional RPG landscape will be written out.

The empirical part includes as well a presentation of the target under study, the project plan, the project implementation, the presentation of the results (the actual marketing plan) and a final evaluation of the process ran. The marketing plan as well as the theoretical part will be divided into reasonable and consistent chapters. The first one is a situation analysis, where a presentation concerning the RPG market, as the functional target segment sector belongs to this market. This first chapter will look at the industry outlook, which includes market characteristics, trends and target market, a SWOT analysis, a PESTLE analysis and a competitive analysis. The second chapter will go over the marketing strategy, which is divided to a market segmentation strategy, a targeting strategy and product positioning strategies to be considered.

2 THEORY

I've divided in two main categories: Platform and Marketing Plan

2.1 Crowdfunding Platform

Crowdfunding has been made possible by the significant number of different funding platforms (Appendix 1) that have risen since the beginning of the new crowdfunding era from 2006. With this availability several have encountered the new problem of oversaturation in crowdfunding platforms. While this has made it much easier to reach responsive niches in the market, it has also made choosing the platform much more difficult than it used to.

While there are potential problems with choosing the best platform for one's campaign, there are few platforms that have amassed more visibility and funding power than others. In following chapters, the author will be covering some of the most common crowdfunding models and platforms.

2.1.1 Requirements for Crowdfunding Platform

A critical part of the process of crowdfunding process is to choose a platform most suited for your campaign's needs. In this case this would be something that is suitable for businesses running a proper funding campaign, good marketing possibilities, security with making monetary transactions as well as that the funding is project based. These conditions will be explained more thoroughly in the following paragraphs.

With the campaign focusing on seeking funding for creating a single card game, there are few clear choices made available.

2.1.2 Choosing a Platform

There are several options regarding choosing your platform for running a crowdfunding campaign. You could certainly try and run it on your own, but already established platforms have several points that settle them above self-established campaign. These include security in transactions for both customers as well as the entrepreneur, already established customer base and natural marketing channels inside the crowdfunding campaign.

Generally crowdfunding types are divided into two categories:

1. Rewards crowdfunding: entrepreneurs or non-profit entities try to sell product or service item reservations or make actual sales based on prior preparation or using intellectual property as product, to start up a business concept without risking the potential incurring debt or sacrificing equity/shares in their company.
2. Equity crowdfunding: the funder receives shares/equity/stakeholder position of a company, usually when it is in its early stages, in exchange for the money pledged to fund the endeavor.

There are two basic models for crowdfunding that the platforms are based on – some sites offer a choice between them:

- **All or Nothing** (AoN) – When the fund-raising period is over and the campaign is considered a success, investments are only collected from the contributors if a pre-determined minimum amount of money has been pledged - which is what determines if the campaign was successful or not. If the target is not reached, no investments are collected.

- **Keep it All (KiA)** – Whether the project goal is met or not, all of the investments are collected (minus commission) and are handed over to the project manager. If they do not have sufficient funds to meet the objectives, then it is the recipient's task to refund them to the contributors.

Followed are the two most common funding models in higher detail:

Reward-based

Reward-based crowdfunding has throughout the ages been used for several objectives, which has included for example including motion picture promotion, inventions development, free software development, scientific research, and civic projects. It has been - and occasionally still is, compared to buying blind, since one often invests on a product or a service that isn't a finished or existing product quite yet. The basic idea behind the crowdfunding concept is to guarantee a production by pre-purchasing the product or service in case, which may make it possible to produce services and products that otherwise might not get funded.

In a collaborative work between Toronto, Ontario, York University, and Université Lille Nord de France, in Lille, France, published on June 2014, two separate types of reward-based crowdfunding were able to be identified: "Keep-it-All' (KIA) where the entrepreneurial firm or non-profit organization sets a fundraising goal and the follows the action by keeping the entire funds raised whether or not if they meet their goal, and 'All-or-Nothing' (AON) where the company in question sets a fundraising objective and keeps nothing unless the minimum objective is achieved - this can then be followed with stretch-goals in attempt to derive a larger funding for the project." Researchers of this collaborative project analyzed all together exactly 22,875 crowdfunding campaigns, with targets of between \$5,000 and \$200,000, and came to the conclusion of: "Overall, [all-or-nothing] fundraising campaigns involved substantially larger capital goals, and were much more likely to be able to achieve their objectives."

In the review of the collaborative study outcomes, the Inc.com publication shed light in that potential investors are more inclined to support "all-or-nothing strategy" initiatives, where as a substandard product will not be released if the funding goal is not achieved. The Inc.com review came to the conclusion that "AON" projects typically provide higher detailed information on the campaign, it's creators and the service or product to be funded.

Many characteristics of rewards-based crowdfunding, which is also called non-equity crowdfunding, have been identified by collaborative and independent research studies. One of the most significant aspects is that rewards-based crowdfunding, funding does not rely on location. The only aspect of the funding experience that distance affects is the postage of the physical prod-

ucts one might receive as the "reward" on the crowdfunding project. The distance between creators and contributors on Sellaband project was about 3,000 miles when the platform introduced royalty sharing for the first time.

The funding for these projects is distributed unevenly, with a few projects accounting for the majority of overall funding. Additionally, funding generally increases as a project nears its goal, encouraging what has been called "herding behavior". This has been attributed to people observing the funding project to be more reliable, since that much money has already been invested. Research also shows that friends and family account for a large, or even majority, portion of early fundraising, which in itself builds foundation for the later phases of the fundraising. This capital may encourage subsequent funders to invest in the project and cause the project to be observed as more trustworthy. Some campaigns tend to warn their friends and family of the launch well before, in order to make sure to gain as much start funds as possible.

While crowdfunding in itself does not depend on place of origin, observation shows that funding still tends to be largely tied to the locations of traditional funding options. In reward-based crowdfunding, contributors are often too wishful about project returns and must revise expectations when returns are not met.

Equity

Equity crowdfunding's definition is of a "the combined endeavor of separate people to back endeavors started by other people or entities through providing of monetary goods". In the 2012 JOBS Act legislation a wider pool of small contributors with lessened restrictions following the implementation of the mentioned act.

Differing from non equity crowdfunding, equity crowdfunding has higher "information asymmetries". The entrepreneur has to in addition to producing the product for which they are raising financing, but also build equity through the way of construction of a company.

Syndicates, which involve many funders following the strategy of a single lead investor, can be an effective way in lessening information asymmetry and in averting the result of market failure associated with equity crowdfunding.

There are also few categories that are far more uncommon:

Software value token

Other way of raising funds through crowdfunding is to raise monetary goods for a endeavor where a software-based or digital value token is a reward for

participating on the campaign as a contributor. The value tokens can either exist or not at the time of the crowdsale, and they might require significant development efforts and culminating on a software release before the token is live and creates itself a market value.

While the crowdfunding campaign might be for value token alone, the monetary goods collected on blockchain-based crowdfunding can also represent bonds, equity or in some cases "market-maker seats of governance" for the project being funded.

Existing examples of crowdsales like this are Augur decentralized, distributed prediction market software which raised US\$4 million from more than 3500 participants; Ethereum blockchain; Digix/DigixDAO; and "The DAO."

Debt-based

Also: Peer-to-peer lending

Debt-based crowdfunding (also known as "crowdlending", "peer to peer", "marketplace lending" or "P2P") surfaced with the establishing of Zopa in the UK in 2005 and in the US in 2006, with the releases of Lending Club and Prosper.com.

People seeking loans may apply online, often free, and their application gets checked automatically by the system, during which the risk level of the loaner and potential interest rate are estimated. Contributors buy securities in a supply, which then makes Investors buy securities in a fund which makes the credit decision to individual loaners or groups of loaners. Contributors generate interest on the unsecured loans; the system operator makes their share through a loan servicing fee and taking a percentage of the loan.

Institutional investors introduced themselves on the peer-to-peer lending arena in 2009; for example Google invested \$125 million in Lending Club in 2013.

In 2014 in the US, crowdlending totaled about \$5 billion. In 2014 in the UK, crowdlending platforms borrowed enterprises £749 million, a growth of 250% from 2012 to 2014, and borrowed retail customers £547 million, a growth of 108% from 2012 to 2014. In both countries in 2014, about 75% of all the money transferred through crowdfunding went through crowdlending platforms. Lending Club went public in December 2014 at an estimated value around \$9 billion.

Litigation

In litigation crowdfunding, defendants or plaintiffs are able to contact significant number of their audience at the same minute in a partially private and en-

tirely confidential manner to gain contributions, either reaching for donations or contributing a compensation in return for lending.

This also gives investors a chance to obtain a stake in a claim they have contributed to, which has the potential of generating interest on their investment in case of allow them to get back more than their investment if the case of success (the perk is dependent on the compensation that was received by the litigant by the end of their task, referred often as a contingent fee in the United States, a success fee in the United Kingdom, or in many civil law systems, a pactum de quota).

Donation-based

Charity or goodwill donation-based crowdfunding is the shared endeavor of single people to assist altruistic purposes.

A type of charity crowdfunding is civic crowdfunding, in which monetary goods are collected to better public life and space.

2.1.3 Most Common Platforms

Those that have already heard of crowdfunding, have most likely become antiquated with the two major platforms in the area; Kickstarter and Indiegogo. For Kickstarter, there are plenty of alternatives, but most are so small that the chance to acquire intended amount is far more dependent on existing audience. With a more niche target market, there are options that may suit the intended purpose better, but to gain the best possible outcome, The major platforms are the way to go.

Still categorization still leaves options to go through. The author will go through some of the basic feature differences in couple of the platforms, and then consider which aspects are key elements to each and inspect the suitability for purpose.

Kickstarter

With Kickstarter there are three key differences - and some small enough to not make a major difference:

1. “An all or nothing” funding model. To state it differently, it's either that the crowdfunding minimum target is achieved, or none of the pledges are collected. While it's rather radical, this is actually an excellent aspect. This will be explained to further detail later on.
2. Gaining traction as a project outside of US is more difficult - but not entirely unlikely.
3. Kickstarter only funds “creative projects”, so proposals where a definite thing (a game, film, book, comic etc) is planned to be made. No

“fund my university tuition” or “kickstart my new endeavor in business”.

IndieGoGo

IndieGoGo's goal is to offer a more customizable platform that gives people the chance to potential to create longer funding periods and fund outside Kickstarter's "creative projects" definition. The downside to IndieGoGo is that it has some problems that scale the upsides down, namely:

1. They don't have quite as many backers in their community (but growing!). IndieGoGo is enticing new funders with its flexibility.
2. It's less likely for your project to be picked up by the press. Many reporters keep an eye out for new projects in Kickstarter seeking for article ideas. Kickstarter projects do come with a certain amount of credibility that IndieGoGo has yet to reach.
3. By skipping the “all or nothing” model exclusively, backers don't quite have the same sense of urgency to fund the projects they are interested in. It becomes more along the lines of a donation, than something that makes a difference to whether the project lives or dies. This is big, and very often underestimated aspect of crowdfunding as a way of generating start up capital.

As a more general point to take into account, when contrasting IndieGoGo and Kickstarter, it's a good idea going for Kickstarter if:

- Your crowdfunding project is qualified for the platform (ie you're planning on producing something exact)
- You're rather confident that you are capable of gathering the investments in 60 days or less
- You're located in the US, or are ready to do the work to get US face on for your project.

2.1.4 “All or Nothing”, Increases Chances You'll Get “All”

To get a more well rounded idea of how the “all or nothing” model works, the author shall go over the key characteristics of this funding phenomenon. While often times when people view this, they subconsciously take the leap to looking straight at the “nothing” part. The thought of getting no investments for their project is an intimidating aspect.

When we compare to hard data in regards to "all or nothing" model, one will find the assurance that this will bring the best opportunity to reach their target investment number and gives added protection in following areas::

- A High number of psychological studies state that people consciously try to do more to avoid failure, than they will to attain perfect result. The “all or nothing” model shows the potential failure in much more dramatical light, increasing the feeling of responsibility the project that you are running, as well as only as a patron to guarantee the funding for the project and avoid the situation where your project's target amount reached... or lost
- “All or nothing” also means that each an every pledge could be the one that “decides it” for a project's funding goal. It may even be possible that a simple €1 pledge will make the difference between success or failure. While this is a very unlikely situation, just the possibility of it makes everything seem much more dramatic and bring people back to check on the campaigns progress during the project's run. It's dramatic and people regularly exaggerate unlikely but dramatic cases in their imagination, which makes this model all the more becoming in their eyes.
- All or nothing also covertly encourages contributors to pledge larger sums or additional pledges. Since in a case where they contribute €200 there's a higher likelihood that the campaign runners wouldn't have made it “without them”. This also displays among those that might have not otherwise contributed anything and find themselves investing something, just to make themselves feel like they contributed at least something in order to get the one project reach their target.
- “All or nothing” removes the fear of risk which comes with funding a campaign that might end up a failure, because it gives the entire campaign social proof. Social proof is people's general tendency to find something more reliable just because other find it as well. So, for a contributor would not get charges (and not lose any money) in case of failure from the campaign. It's just safer to contribute.

What makes “all or nothing” such an intimidating campaign for the project managers, is precisely the reason what gives it such a power in motivating potential contributors to fund the campaign. It's intimidating. It's dramatic. It sparks potential investors out of their complacency. And in case where you find yourself with a really good product and pitch, if one happens to have a good sales pitch attached, the project finds itself much more likely to get funded.

2.2 Marketing Plan

In this chapter we will briefly review the definitions of a marketing plan as well as the necessary theoretical tools that are necessary in order to write a complete plan. The importance of marketing planning within a company and

its role in the conception of corporate, promotional, financial and sales strategies will be discussed as well.

2.2.1 Definition of Marketing Plan

According to Marian Burk Woods, marketing planning could be defined as:

The structured process that leads to a coordinated set of marketing decisions and actions, for a specific period, based on an analysis of the current internal and external situation, including markets and customers, a clear marketing direction, objectives, strategies and programs for targeted customer segments, support through customer service and internal marketing programs and management of marketing activities through implementation, evaluation and control. (Wood 2010, 2.)

However Solomon, Marshall & Stuart (2008, 586) define a marketing plan as:

A document that describes the marketing environment, outlines the marketing objectives and strategies, and identifies who will be responsible for carrying-out each part of the marketing strategy.

The difference between the two definitions relies on the purpose that each author assigns to a marketing plan, Wood emphasizes essentially the importance of strategy and decision-making when writing a marketing plan, whereas Solomon et al. consider the document more as a guideline for managers as they imply the importance of delegating specific tasks to members of the company, however, both authors imply that a careful and well-crafted marketing plan is paramount for any company who wants to succeed in an increasingly competitive market.

This document will guide the actions the company needs to undertake in order to support and achieve its business and organizational goals over a specific period of time, usually a time span of a year, as well as a clear picture of the current situation in the industry (Wood 2010, 3).

The following figures show how the marketing planning process is organized according to two different authors: Wood (2008, 4) and Solomon et al. (2008, 60).

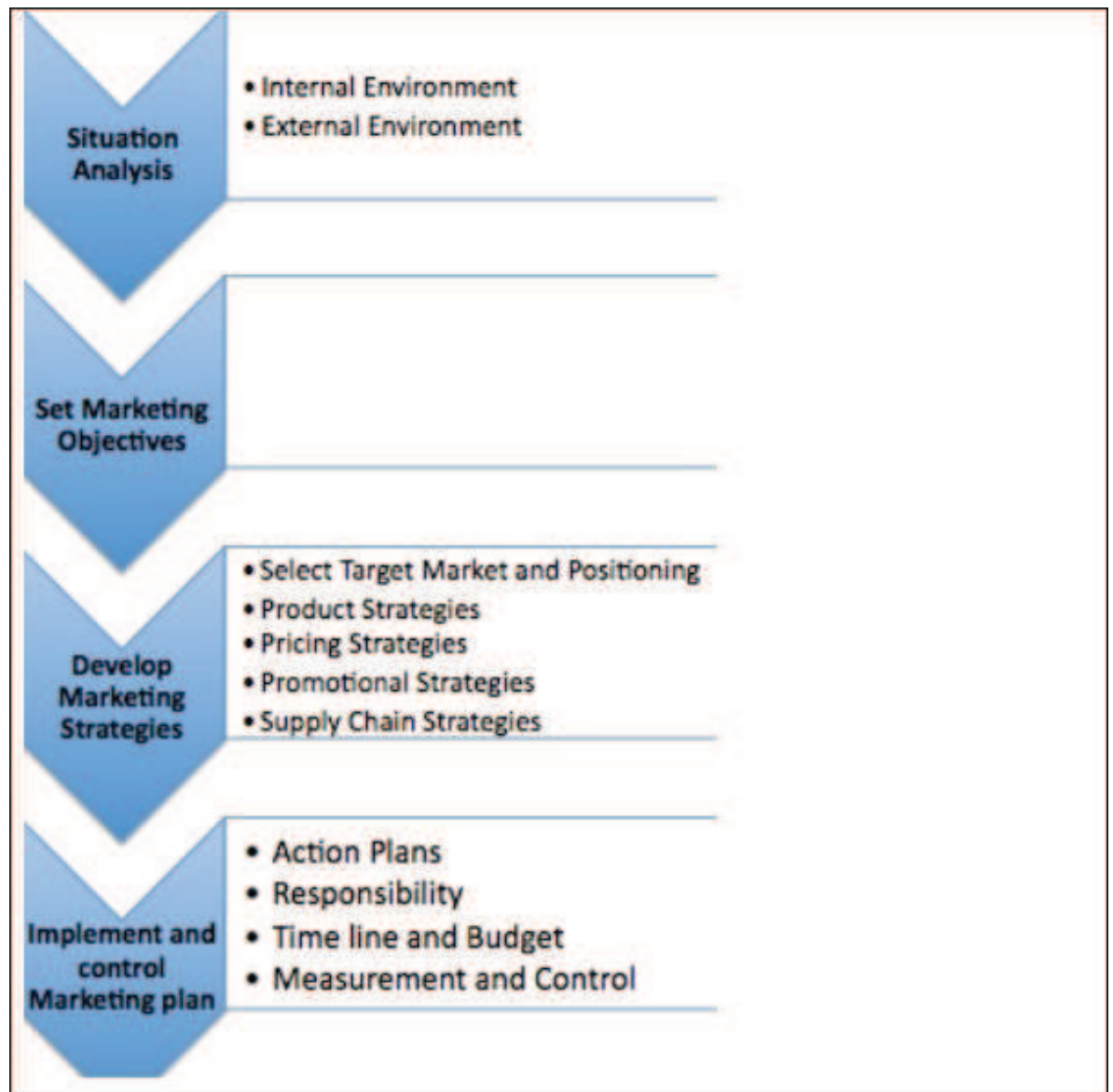


Figure 1. Marketing Planning process (Solomon et al. 2008, 60)



Figure 2. The marketing planning process (Wood 2008, 4)

A successful marketing plan should strive to explain the intended strategies for building relationships by creating, communicating, and delivering value to customers (Wood 2008, 3). Wood's framework will be the primary tool used in elaborating the structure of this research, as it constitutes an easy-to-follow guideline in order to elaborate a complete and functional marketing plan. Every time a new chapter begins the corresponding step in the framework will be highlighted.

This framework was considered much more comprehensive than the one presented by Solomon et al. since it gives a better accurate picture of how marketing planning works and how each step is interconnected with the other steps. However elements from Solomon et al. will be included in the theoretical part, such as analyzing the internal and external environments and budgeting.

Marketing is much more than a slogan, a website or a catchy phrase. Marketing is a systematic business process that consistently drives growth within the

company. (Bogan & Doss 2010, 104-111.) A successful marketing plan is simple, systematic and sustainable; accordingly a company's marketing activities should focus on maximizing the marketing reach and resources (Bogan & Doss 2010, 104-111).

2.2.2 The Importance of Marketing Planning

According to S. Bogan and N. Doss (2010, 104-111), just a decade ago, marketing was considered only as a tool necessary for servicing clients, with no value added to the process or the activities of the company. Today marketing has become a crucial part of a business' strategy in order to grow in an ever-teacherous business environment. Marketing practices have become active and thus the creation and implementation of a marketing plan should be dynamic and constantly reviewed over time (Wood 2010, 3).

According to Frith (2010, 43-47) marketing planning is not to be evaluated in isolation as it is a tool intended to evaluate the overall business strategy thus the steps and implementation will be linked to the market where the company is intending to operate, the development and recognition of the brand name as well as the chosen penetration strategy, for instance: differentiation. Ultimately a company ought to know its customers better than itself, in order to craft a functional marketing plan.

Bogan and Doss (2010, 104.11) suggest that the main factors affecting a company's growth and thereof a lack of investment in marketing and development are: failure to plan, a lack of focus, an ad-hoc approach and inadequate measurement. Buttell (2009, 6-8) goes as far as underlining the importance of marketing planning in times of crisis, when consumers are looking for solid professional advice during uncertain times.

A marketing plan is thus a focused effort in order to implement the company's vision practice through targeted efforts, so that its specific customers are satisfied rather than trying to be all things to everybody and ending up failing (Buttell 2009, 6-8). It is thus strongly recommended to have an accurate and relevant marketing plan no matter the market the company is intending to enter.

2.2.3 Assessment of Current Situation

Ironspine is a small publishing and development company in Finland that has until now mainly done business in Finland and in Finnish. So far they have published only two games in English; Chthonian Highways and Hyperstorm - and Astraterra is the intended third publication.

The market is rather niche and, in Finland, rather low in competition. The main competitor in Finland is Mike Pohjola's Age of the Tempest. There are no other significant direct competitors with similar product characteristics.

Mike Pohjola's *Age of Tempest*, which was published through international publishing company Tactic and has been available in general stores as well as specialty stores is the key competition in Finnish market, but as the market isn't oversaturated, with time there is unlikely to be great competition over customers. *Age of the Tempest* is the only game that hits right in the same niche of young and/or inexperienced RPG gamers, which there are plenty as previous generations have started to bring their children into the hobby.

Petri Hiltunen ja Ville Vuorela's products, while still definitely RPG, are more for experienced and older players - requiring much higher understanding of the game mechanics and world. While it is greatly appreciated, it targets slightly different part of the market and as such is not in strict competition with Ironspine's *Astraterra*.

As the company has not previously attempted to establish a take on the market overseas, there is not much to evaluate. I will be delving deeper into this during Analyzing in preparation for the campaign.

2.2.4 Market Analysis

The roleplaying game industry - or the non-analog game industry overall, has a very long history in Finland: roleplaying games have been published for over three decades and covers the publication of about 52 plus campaigns, of which some have several publications. Some products, like *HeroQuest* (Avalon Hill, *Ace-pelit*), *Lamentations of the Flame Princess* (James Raggi, *Lamentations of the Flame Princess*) or *Praedor* (Ville Vuorela, Burger Games) have made it outside of Finland as well. Several self-published works have already been lost to the murky history.

There has been a significant change in the scene of roleplaying game creation that differentiates post and pre-2000. The new trend is more focused on one topic and game style, tend to treat game-fiction with higher purpose (intentions rather than acts and so on) and smaller, more composed set of rules.

When it comes to the size of the market, the only reliable sources available are likes on Facebook pages and communities; fair examples would be *Roolipelaajien Suomi* (Roleplaying gamers' Finland) with 2,032 members or page of *DriveThruRPG.com* with 14,731 likes, or *RPGs* (as a book genre) with 54,941 likes. And these can only be considered the actively participating members of target market.

A little more interesting aspect of this market share, is that the products generally have a very long life cycle, but high-interest period may be short. Once a game has established themselves on the market, like *Dungeons and Dragons*, they will not be easily forgotten. Likewise, games that were found to be exemplary in their rule system, universe or setting (*GURPS*, *Chulthu My-*

thos, Pathfinder) will be listed as examples and likely influence the next generation of games.

With the concepts of "nerdy" and "geeky" getting a trendier status in popular culture, there has been significant increase in new hobbyists, and the market that wasn't oversaturated to begin with, has now exponentially increasing customer base, with large income variations. This has enabled creators seeking crowdfunding for their projects to go much further with the reward and perk levels than before.

With the focus of the product being family and beginner friendly, there are no significant established competitors that would cut into expected sales. There are some in both somewhat direct and bit more indirect competitors. More on those later in Competitor analysis.

Pricing with roleplaying game books (softcover, hardcover, PDF) varies little. Generally really short PDF publications start of from €3 onwards, with thicker hardcover colored publications go from €20 to even €80 depending on potential licencing fees. As the price range is rather narrow, competing with price is not a reasonable strategy to adapt.

Since this is not the first crowdfunding campaign; first having been Astraterra first edition (indiegogo, 2013, 207% funded) and Sotakarjut publication (Warrior Hogs, indiegogo, 2016, 179% funded) for Ironspine, it shouldn't pose too much difficulty. This should provide some required credibility for the other crowdfunding projects, which on it's own informs potential contributors of the reliability of the specific campaign source. If the entity has successfully funded projects, and has no notes referring to having not provided the goods, it is considered a positive sign.

2.2.5 Market Characteristics

The target market audience is composed of internet savvy, easy to reach customers that are generally active and interested in new campaigns. They are considered to be demanding and critical audience, often making in-depth questions on the product, rule system and other relevant material. But once you've earned their loyalty, they can be very passionate and support the campaign creator by passing on the word.



Figure 3: Representation of Target Market Purchasing Reasons (Roolipelaajien Suomi, Facebook, 09/2016) Responses were recorded within one day, which in itself demonstrates the responsiveness of the target segment.

The figure above represent a facebook poll collected within on purchase behaviour in regards to roleplaying game books. The most common answer through this quick questionnaire was that people would buy RPG books to read with no certain goal of actively playing them. Next most common reasons were to buy to play and buy to support the roleplaying scene overall.

The question stated is; "While browsing through the forums of RGP.Net, I came to an interesting thought experiment on the reasons for people to buy RPGs and RPG books. I got stuck in my head, so here's my question: When you are intending to buy or buying any kind of RPG themed material (directly tied to a certain campaign), what reasons do you have for your buying behaviour?"

The options listed from top to bottom:

- I buy with no certain intent for playing

- I buy to play
- I buy because I wish to support the RPG creator and that they have resources to carry on
- I buy because I enjoy the campaign and want to support these creators in particular and the work they do
- I buy with the intention of collecting
- Other, what?

The answers to an open question also listed some of the following responses:

- Because I find the specific RPG to be an "important" publication that I want for my own collection
- Because I need a comparative work for my own RPG
- I buy them as source material for certain time period or surroundings
- As a research material for tie-in materials in established universe
- For it's beautiful and enticing art and interesting concept
- To review how others have solved specific problems in their rule system and universe
- To find something to bring my lessons alive
- To read in a bathroom
- With the wish to get to run the game
- Because I like RPGs and as a game designer want to understand their mechanics. Also I hold out for the hope that I get to play them
- For inspiration for my own game and creative projects

Regarding the average income of the targeted segment of roleplaying game enthusiasts, there is a significant amount of variation regards to the income level of potential contributors. Likely the most responsive income level will be those on stable monthly salary.

2.2.6 Marketing Strategy

In this chapter, the tools necessary for analyzing the target market as well as the elaboration of a relevant market strategy will be presented. The chapter will cover more in detail the segmentation strategy, the targeting strategy, the product life cycle, the potential strategies, the positioning strategies as well as branding strategies. This chapter concerns step three of the theoretical framework: plan, segmentation, targeting and positioning.

2.2.7 Market Segmentation Strategy

Ironspine has to decide how they are going to segment the market according to the following strategies: geographic segmentation, which means dividing the markets into geographical units such as nations, states, regions, etc (Kotler 2003, 287). Product-User segmentation, which refers to segmenting the market based on product usage such as amount and/or consumption patterns, or

lifestyle segmentation meaning segmenting according to the customers' values, beliefs, attitudes, perceptions, etc (Biztree 2011).

Kotler (2003, 299) argues as well that the company should select the target segment based on the overall attractiveness of such segment and the company's resources and goals. The benefits of market segmentation for the company are crucial since, the process will eliminate markets that are blocked or inappropriate and will create segments of customers with similar wants. (Wood 2010, 72.)

In marketing planning there is actually two different segmentation steps, the first one, will help understand how the market is organized up to today, for example in this case Ironspine will use a first segmentation analysis in order to select the most appropriate markets they want to enter to, then once they have selected a target market, in this case Finland for the second Finnish publication and US, with other English speaking regions as secondary targets with the English publication, they will carry-out a segmentation strategy in order to fine-tune the product with the final consumer.

2.2.8 Targeting Strategy

In this chapter the company should identify the targeting strategy they want to follow, this will determine the market segments the company should focus on, the three main 18 marketing strategies are: mass marketing or undifferentiated targeting strategy refers to the mass production and promotion of products (Kotler 2003, 279). Differentiated marketing or differentiated targeting strategy, refers to the developing one or more products specially tailored to clearly identified distinct market segments or target marketing or concentrated target strategy which refers to focusing on one market segment and sub-segments by offering one or more tailored products (Solomon et al. 2008, 218- 219). Targeting will help determining the target market coverage and create personas for targeting so as to guide the development of appropriate marketing strategies and add a human dimension in order to properly visualize each segment's consumers (Wood 2010, 72).

The targeting strategy is carried out using several variables such as demographics, psychographics, etc.

Demographic segmentation refers to dividing the market into groups based on age, family size, family life cycle, gender, income, occupation, education, religion, race, generation, nationality and social class, since demographic variables are easier to measure and often elements such as preferences, usage, etc. are linked to demographic characteristics (Kotler 2003, 287).

Psychographics refers to dividing the target market according to psychological and behavioral traits such as lifestyle, attitudes and beliefs, perceptions,

personality, etc. this segmentation is useful in order to better understand the demographic dimensions of segmentation (Solomon et al. 2008, 155).

Other variables used in order to segment the target market are linked to consumption patterns, such as purchase occasion, buying situation, low, medium or high consumption, application furthermore the brand loyalty, encompassing variables such as loyalty, level of satisfaction, experimented or dissatisfied consumers as well as unaware consumers can be used in order to segment the target market (Wood 2010, 75).

2.2.9 Product life cycle

In order to have a complete market strategy, the development stage of the product should be identified in order to identify the proper message to be conveyed in advertising. The product life cycle includes the following phases: introduction, growth, maturity and decline analyzing it will help the company anticipate and manage ups and downs (Wood 2010, 117). Figure 5 illustrates the product life-cycle graph. Furthermore, analyzing the development stage of the product will facilitate advertising decisions, for instance during the pioneering stage the advertising used will educate the consumer and strive to change his or her habits, during the competitive stage it will establish the superiority of the product over competing products and finally during the retentive stage, the advertising will be used for reinforcing and reminding customers of the qualities of the product that customers already recognize (Biztree 2011).

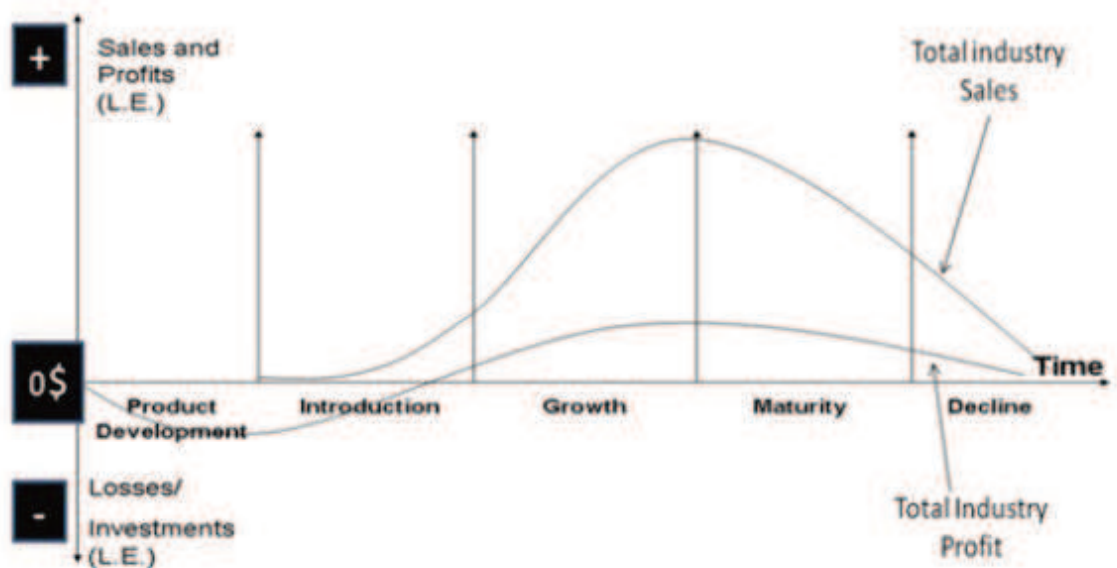


Figure 4. Product Life Cycle (Wood 2010, 117)

The product-life cycle is worth analyzing since the advertising strategy is linked to it. For example in this study the functional roleplaying game market is in expansion and so the advertising used should emphasize the benefits offered to the consumer and why would he/she buy the Ironspine's product instead to that of the competitors. There is the additional complication of crowdfunding used as the funding platform, which skews the profit's highest points. During crowdfunding, the income will likely peak among direct B2C purchases. After the funding period, the sales will likely focus more on B2B in terms of retail. The sales will trickle off as time goes on, but will only dry up following the sale of final physical copy of the product.

2.2.10 Potential Strategies

In order to succeed and promoting and selling the new product in the Finnish and US markets, the company needs to decide on the most suitable business strategy, once the target market and consumer have been identified. There are three generic business strategies that can be used at this stage of the planning: Differentiation, cost leadership and focus or niche strategy (Lynch 2003, 467).

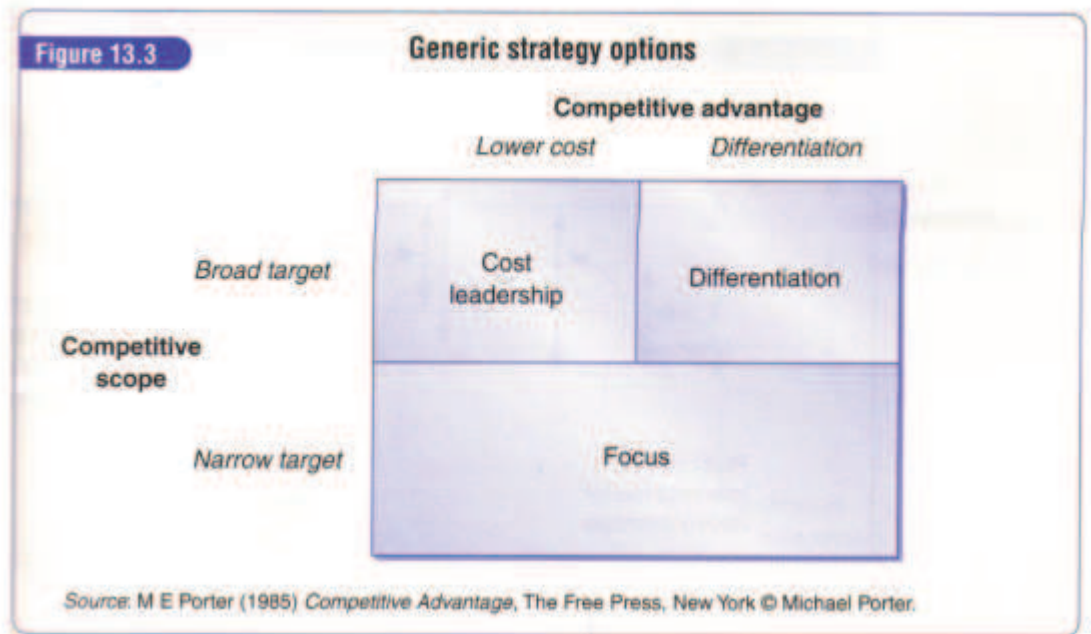


Figure 5. Generic Business Strategies (Lynch 2003, 467)

According to David Lynch (2003, 466) every company should select one of these generic business strategies in order to be competitive and strengthen its competitive advantage. Michael Porter identified two main aspects in the competitive environment: the source of the competitive advantage and the scope of target consumers (Lynch 2003, 466). Differentiation and cost leadership are sources of competitive advantage and focus or niches are sources of

competitive consumer scope (Lynch 2003, 466). In the case of Ironspine, the selected strategy will most likely be a mix of niche strategy and product differentiation. Once the company has a clear understanding of the generic business strategy it wants to adopt as well as the product options available for them, the firm is ready to analyze and select the core strategies they want to implement. Core strategies consist of marketing, positioning and branding strategies (Biztree 2011).

2.2.11 Positioning Strategies

Positioning refers to the benefits/features a company wants to convey to its consumers through its positioning in the market (Kotler 2003, 310). Positioning will also help create the points of difference (Wood 2010, 72).

Points of difference and points of parity are commonly known as POP's and POD's, which are useful for carefully implementing an appropriate branding strategy. POD's, 21 unique, favorable, unique brand associations should be superior than POP's, associations that are shared with other brands, as well as communicating the positioning to the final consumers. (Ormiston Ewan, R. 20.05.2010.)

Positioning is carried-out in order to highlight attributes and benefits fitted with the consumer's preferences and wants as well as reinforcing the differentiation of the product by enhancing the consistency of the company's marketing activities (Wood 2010, 72).

In this section Ironspine will use information on the product attributes, benefits, and needs fulfilled, usage and consumer patterns, comparison to the competitors and whether or not they are planning to target new or different segments in the long-term.

2.2.12 Branding Strategy

The task of any business is to develop outstanding value to the market at a profit, the objective behind positioning is to help companies and marketers choose which is the best value to be delivered (Ormiston Ewan, R. 20.05.2010), thus a company that wants to be successful in today's markets ought to position well its brand in order to attract consumers, by selecting an appropriate branding positioning strategy, in other words finding a proper location in the minds of a group of consumers or a market segment so that they think about the product in the desired way (Ormiston Ewan, R. 20.05.2010).

In this section, Ironspine is to outline the desired brand strategies based on positioning and detail the brand elements and names such as: logo, slogan, brand identity, personality and associations, trademarks and graphic design focus.

3 ANALYSIS

3.1 Restrictions in Finland

Finland is the given country of bureaucracy and with this comes significant number of areas that should be investigated prior to attempting a crowdfunding campaign runs. There are aspects that are still unclear enough that getting a statement from a qualified person is difficult enough, regardless that this is the most reasonable way to get up to date official directions.

Within this chapter the author investigates and presents some of the most key areas for a crowdfunding project to face deep waters. This will cover fundraising permits, taxation, information technology directives and the restrictions of collecting funds overall.

3.1.1 Fundraising permit

In a case where money would be requested with nothing to give for it, for example for a charity cause, it requires a fundraising permit. For a project like Astraterra it would be difficult to get, but election funds are most commonly collected under fundraising permit, as are Veterans Collections and others like it. Amnesty and Greenpeace are others that fall under fundraising permit category.

In the case of Astraterra, the case is not of gratuitous funder, because everyone that contributes does get something in exchange. The smallest perk is one PDF of player's handbook. In other campaigns there have been such as a postcard or public thank you for participating. These include bit of a grey area as it is questionable if the funder actually receives a suitable counter when they get a €2 postcard for €10 contribution. With a public thank you, it is hard to define whether it is actually a "product" or not.

This is where Finnish law portrays a rather unique aspect. One is not allowed to ASK for a contribution with no sellable product, but if someone just decides to give something, they are not in the wrong to give and the campaign can accept it with no negative connotations. So, a campaign manager is not allowed to state: "If you find the campaign interesting, you can add additional money to your contribution." But a contributor is allowed to give as much (or as little) money as they like to.

So in this sense, crowdfunding in Finland must be approached as a presale with set prices, which is exactly what Astraterra is about.

An official that wanted to stay anonymous commented with this: "Should non-gratuitous fundraising be permitted, it wouldn't be administered by any

government body. It's nobody's benefit for people's interest to donate would be taken advantage of. It would lead to people ceasing donating all-together."

3.1.2 Taxation

A common topic of Finnish crowdfunding is the fundraising permit, much less but no less important is the taxation related to raising production capital through crowdfunding.

As it is a topic that has not been widely discussed, it was of key to ask couple of accountants working in taxation and inquire over it from Vero.fi professionals. While this applies to high percentage of the cases, one should always make sure to ascertain whether their project has unique characteristics, as so should be taken into account when calculating the taxation.

In taxation, as with fundraising permits, there is a key difference between non-profit registered associations (Finnish Patent and registration Office) and everything else. Anything outside that category is counted as business, and thus doesn't matter if it's conducted by association, company or individual.

Business VAT

Crowdfunding in essence resembles most of pre-sales. In this case it is considered as standard sales and taxed according to value added tax (VAT).

Should the company be VAT-registered, which is mandatory with turnover over €8.500,00 during one calendar year. Value added tax is submitted to the tax office at the end of the calendar year on seasonal tax returns.

Otherwise taxation season is the time period during which the customer receives their product or service they invested in, so rather than the time when the money is collected, but when the product is delivered. This is because it is based on accounting principles, and sales is considered the point at which the customer receives their purchase.

There, however, is a but. This is an area of which even the tax office isn't quite unified, so one should always get a confirmation - in writing - for their project.

The VAT for one's own products is easy to check online. In some cases, such as this, the product is considered an instructional booklet and as the taxation percentage would be 10%. However, in the case of Mike Pohjola's Age of the Tempest, as the instructional booklet was set inside a box, it was considered to be a game, which has the taxation percentage of 24%.

Value added tax isn't paid over all of the profit, but only of sales income and donations. In a case of physical product, the income from shipping and handling fees aren't taxed. So should a funder buy a book for €25,00, with €7,00 for shipping within the country and an added €3,00 donation, taxes would be paid over the €25,00+€3,00 sum.

Other business taxation

Of the overall profit, at least limited liability companies, private businessmen (tmi) and associations pay an income tax, called corporation tax.

Profit considered with the formula of income deficit of expenditure in such a way that wages, depreciation, shipping fees, production fees and all related are included. Fees from internet banking (PayPal falls into this category) and crowdfunding platform's shares are also considered expenditure.

International investors

Having part of the sales to foreign countries brings about an exception to the value added tax. Sales for end consumers within EU area are taxed as one would usually tax them in Finland.

Within EU, company sales are VAT free "community sales". In this case, a shipment is accompanied by a bill that states "completed". One must mark their business ID with community sales mark "FI".

Sales outside EU are generally VAT free, because it is considered to be exporting. In this case one pays export taxes and customs duty. Accounting requires a receipt for "tax-free" and confirmation of shipping.

Taxation of an registered association

For general information, it was also inquired about how is taxation for a registered association in regards to crowdfunding.

Generally the topic is very simple: non-profit registered associations do not pay VAT or other taxes. However, tax collector can declare the actions of registered association as conducting business, in which case it would be treated as a company.

Often associations are exempt from paying taxes and as such are entitled for fundraising permit.

3.1.3 Safe Harbour framework/Turvasatama-sopimus

The Safe Harbour data pact nearly caused serious problems for the entire crowdfunding market because of the legal limitations it would have set on storing the personal information on servers of different nations. This will be explained here:

European Union and U.S. negotiators have finally agreed on a new data pact (one that should replace the original Safe Harbour framework) that should prevent European Union regulators from restricting data transfers by companies such as Google and Amazon across the Atlantic in February 2016.

The European Union and the United States have been in a hurry to replace the previous Safe Harbour framework that was outlawed by a top EU court last year over concerns about U.S. mass surveillance, leaving thousands of companies with serious legal and financial problems. The realistic problems caused by the previous contract would have forced all personnel data, on both public and corporate sides of the fence only on servers located within the European Union.

While the new pact still requires political approval, it has been stated that the new Privacy Shield would place stronger obligations on U.S. companies to protect Europeans' personal data and ensure stronger monitoring and enforcement by U.S. agencies coincides with two days of talks in Brussels, where European data protection authorities were poised to restrict data transfers unless a deal was clinched.

Cross-border data transfers are used in many industries for sharing employee information, when consumer data is shared to complete credit card, travel or e-commerce transactions, or to target advertising based on customer preferences.

3.2 Assessment of current situation

In the assessment of the current situation, areas such as target markets, market characteristics, existing and potential marketing channels are analyzed to create a good representation of the market in question.

Since there are two separate products, some of these areas have taken that into account, and primarily outlined the current situation for Astraterra's Finnish second edition, and secondarily reflected that to the Astraterra's English translation to shed light to that and assist with the future project.

3.2.1 Target Market(s)

Because there is going to be two different crowdfunding campaigns for the same product's different versions - a second edition in Finnish, as well as English printing of the book for international audiences. Because of this as-

pect, there is two partially separate target market definitions. One for each product. The Finnish second edition product will be analyzed first, followed by the English language product version.

The Finnish second edition of Astraterra is a well established product with Finnish roleplaying game enthusiasts. With Miska Fredman having won the Golden Dragon, a prize within the roleplaying game scene for those advancing the field and solidifying the status of roleplaying games as part of the accepted society, for his life work so far, and the knowledge that the Astraterra roleplaying game was to be coming for funding soon, the foundation for reaching the target market easily was already established.

The target market for Astraterra's Finnish second edition was deemed as following; those who missed the product from the last printing, supporters of Ironspine's work, youth organizations, libraries (both of the latter which showed significant interest already with the first printing) as well as retailers from game stores. Initial assessment for the first edition had been the aging roleplaying scene hobbyists whom wanted something suitable for their offspring. This niche had yet not been filled as there are the requirements of language as well as theme suitability. Astraterra started with identifying as children's roleplaying game, but later graduated to a roleplaying game for all ages when adults started informing that they really enjoyed the product as well.

Market size is something that is very difficult to estimate in the case of anything that doesn't require participation on a measurable platform. Especially since Astraterra as a product is meant for initiation of new roleplaying gamers as well as for children. There are two big events annually that give some reflection; Ropecon that has been around for over 30 years and gathers about 3,000 hobbyists per event, and Tracon, a 12 year old event, which is for both roleplaying gamers and Japanese pop culture enthusiasts that sells out at 5,000 attendees per day. Then there are slightly overlapping live roleplaying gamers, or larpers for short and table top roleplaying gamers which both have a Facebook community of over 2,000. Then there is an increasing interest from youth communities as a way to engage children and teens to participate on this creative gameplay.

On a more idealistic note; in the best case imagined, this product has significant potential to break outside of the initial target audience. The biggest hurdle to pass would be to get major chain stores more comfortable with these book based games and train them in roleplaying games and the marketing they require to be understood by the public.

The one market breach that would end up being much more demanding to capture, is entering the English speaking market for Astraterra's English edition. The target market is rather similar to what the second edition in Finnish has; initially exiting roleplaying gamers that have offspring that they would like to initiate to the hobby as well as a segment of Finnish hobbyist that either prefer English as a playing language, have international game group or

otherwise wish to support the creator. While there are some bridges between Finnish hobbyists and English speaking hobbyists, the English speaking target market is largely unestablished market for Finnish roleplaying games.

There are some existing advantages for entering the US market. With the two major roleplaying events in Finland, both having hosted international guests for several years (for example Ross Watson who is a well established roleplaying game creator and Jim Pinto, a RPG creator that regularly pulls \$10,000 per crowdfunding campaign for his own games) which should help create a sense of reliability with the new market.

The English speaking market also has challenges with saturation, as it is much coveted area for many creators. The size of it should be of some assistance, as with a unique product of Astraterra in the sense that there really are no RPGs that are strictly designed with kid friendliness in mind, leaving the product with much lower number of competitors. The size of the market also plays for Astraterra, as expected numbers on sales based on Finland's population are far lower.

3.2.2 Market Characteristics

Frankly, with analog games - including card games, figurine games, table top RPGs and boardgames, no practical market research exists. Turn to digital games, and there is a bounty. It seems like analog games have been often lobbed to the category of 'people will find them if they are interested'. Within this category, there is the niche of RPGs. RPGs overall are something that beyond the massive success of Dungeons and Dragons, it has been reasonably self-made market.

From the author's personal experiences within this hobbyist community, it is possible to make some generalisations. First of all, the adults generally fall under highly educated, having bachelor, master or doctorate degree in some field. They are often interested in learning in perpetuity. Because of the high education level, they are also often rather stable in their income.

According to the scientific research, "Empathic Features and Absorption in Fantasy Role-Playing," by the *American Journal of Clinical Hypnosis*, researchers gave 127 players 2 tests: the Tellegen Absorption Scale, measuring absorption (focus on the task at hand) and the Davis Interpersonal Reactivity Index, measuring empathy (the ability to relate to other people). During the run of conducting the study, the researchers discovered that gamers scored higher than non-gamers on the IRI scale of empathy. This makes the target market very responsive and communicative with the creators of projects they are interested in.

With having existing knowledge and readiness to research, they are commonly very quality aware, internet savvy because of the geographically spread out

demographic, active in their interest areas, easy to reach and responsive compared to average target markets. That they are far and between in location, makes word of mouth a reasonable marketing strategy - that is if you manage to convince the individual. Small community makes it a reasonably close knit as well.

By observation, if they are giving "negative" feedback, it's most commonly critically constructive. Thankfully, partially because it is a very work intensive and low profit margin business, the market is often not oversaturated.

3.2.3 Existing marketing channels

This part is alike to previous topics, divided partially between the two products; second edition Finnish Astraterra and the English translation.

The Finnish product, as mentioned before, is a well established product in the target market and well known to target consumers. This leads to there being established communication channels to the initial target audience. If a lack of challenge is observed, there is room to challenge oneself with attempting to breach new market segments. The established marketing channels include: Facebook is the most used and even with Facebook's new rules on the visibility of page posts - plain text posts get little to no visibility, one picture and text a little more, 5 or more pictures on a post a reasonable amount and video is the highest rating. These styles are still a far reach away from the visibility one gets from paid advertising. The most efficient way for Astraterra to market on Facebook were community group of Finnish RPG enthusiasts and shares of the original posts in different venues.

Pelilauta the game forum, while old platform, still is considered to be a reliable source of news and hosts a variety of creators and hobbyists among their users.

As among a lot of more local projects, word of mouth is a valid communication method as well. People value personal recommendations relating on their purchasing behavior and take enough interest to search for more information on the product on their own. This is the method of reaching those who do not use social media and rarely surf on the net.

Last but not least, there are the hobbyist conventions on RPGs that may let one post through their feed, which usually has much wider reach than individual publishers or product pages. Also if suitable, one good way to reach to new potential consumers is to run short instances of gameplay at a convention. People have a tendency to be much more open to new experiences, are on a good mood and are there for the reason of the products, games and programming.

With the English translation, a lot of the marketing channels are the same with nuanced differences; Facebook turn to international communities of the hobby, Pelilauta changes to RPG.net, in word of mouth the international friends in the industry are accessed and in conventions, the focus is at Germany and USA.

3.2.4 Potential marketing channels

Channels that either didn't exist during the run of the first campaign, or weren't actively utilized then, that now have been taken into consideration and inspected for the usability for this instance.

Patreon, which is simply described a subscription platform for arts and other that might fall under the definition of intellectual property rights. Ironspine's creator Miska Fredman has a patreon page where he creates maps that are suited for roleplaying campaigns as an example. He has garnered a reasonable subscription pool for his creator page, and this can be considered a venue where new consumers may be reached as the community has grown massively during the last couple of years.

Actively contacting influential people in the target market that are already known to be interested or supporting the product. This is more of an focus for the international market where there is no existing influence from the company, creator or the product, so quick establishing of their place in the scene is helpful when breaching a new market within this industry.

Utilizing past reviews on blogs and news sites in order to help people gain an understanding of the product and the quality of it. In the past, blogs and news sites like Geekgirls and Dome have taken a look at the product and given it a full review.

Mainstream media is and always will be on the list, even though this industry never gets any visibility. Simply the minuscule possibility of the scale of visibility that mainstream media offers is worth pushing press releases their way.

3.3 External and internal audit

In the external and internal audit chapters, topics such as trends and market needs, 8-cell SWOT analysis, PESTLE analysis and competition analyses are conducted and analyzed in the benefit of creating a better estimate of what to expect from the market overall, and give something through which to reflect the success or failure of the actual campaign through.

These tools are going to play their part in assessing potential advantages, challenges, weaknesses and business environmental aspects that one should

take into account during the process of the campaign, as well as overall security measures to guarantee secured intellectual property rights.

3.3.1 Trends and market needs

Trends and market needs are often what guides the masses purchasing behaviour. By correctly identifying the active trends in the market, and the needs that the consumers either have or there is room for creating one should be observed with keen eye. By correctly identifying the active trends and market needs and comparing these with the characteristics with the product in question, there is the possibility of greatly increasing the likelihood of a successful product.

When it comes to Astraterra the adventure roleplaying game for the entire family, one of the key interests with this product is that it fell very directly under one of the market trends of the time; there had been significant interest for roleplaying game that would be suitable for children but also interesting enough for the adults helping getting it started. This product was partially designed with this particular need in mind. In addition to this, there is also a constant interest for new Finnish roleplaying games and everything they have to teach the industry and inspire new products.

3.3.2 8-cell SWOT analysis

The main purpose of the SWOT analysis' is to analyze the strengths, weaknesses, opportunities and threats of an entity (Wood 2010, 28). The reason of including analysis like this in a marketing plan is for it to derive opportunities from the strengths and address and cover the weaknesses (Wood 2010, 28). One of the beneficial aspects of the SWOT analysis is that it sets apart, between the internal environment: all the areas that the entity has sway over and that can change on how the entity makes strategic decisions; and the external environment which means the areas that can't be affected by the entity and that can sway it either positively or negatively (Solomon et al. 2008, 43-44). The main goal of the SWOT analysis is to comprehend the entities' resources, competences and capabilities.

Table 1: The 8-cell SWOT table for Astraterra

Internal	<u>Strengths</u>	<u>Weaknesses</u>
8-cell SWOT	creative idea first print sold out critics liked	limited target market hard to get to major stores
External	<u>SO Strategies</u>	<u>WO Strategies</u>
<u>Opportunities</u>	Early entry Target market suitable	slow work on awareness guides for sales people
market trend responsive target market		

	marketing	guides on marketing
<u>Threats</u>	<u>ST Strategies</u>	<u>WT Strategies</u>
direct competitor "childish" taking the market	Clearly state strengths cooperation experience sharing	follow the situation active interaction clearly defined product

The clearest strengths for the product Astraterra are that it's a very soundly designed product with clearly defined target market to whom needs it answers. This is proven through the quickly sold out first printing and the numerous praises from critics and end consumers alike.

The key weaknesses stem from rather limited niche target market that is hard to expand from. Being a rather niche product, it makes it difficult for stores unaccustomed to marketing roleplaying game products to fully include them as part of their stock. Also the unfamiliarity of this kind of products among the sales personnel makes sales to consumers unfamiliar with roleplaying games hard target to reach through common means.

The greatest opportunities in Finland and English speaking world are that this product has an emerging need and provides a service that doesn't quite exist yet on any countries target market for roleplaying games.

The greatest threats come from timing, competition and assumptions. Timing in relation to taking the market as soon as possible in order to gain that early riser advantage with end consumers. Competition as in to reach the target market and capture is before someone else takes it and makes entering it much more difficult. And finally assumptions that come from the sceptics that don't think that an entire family would enjoy spent time with this game.

SO Strategies: To aim for entering the target market earlier than emerging potential competitors and cultivate the marketing plan later to accommodate any changes in the target audience.

WO Strategies: To work slowly on gaining more and more awareness to game mastering the game to new audiences and targeting places and events that may not have encountered it before. For example there is a winter vacation (Hiihtolomaviikko) that is filled to brim with activity in Tampere and they are always looking for new activities to bring to the kids and teens. This would be ideal location to raise awareness on the product. Because a lot of more main stream stores find it difficult to sell roleplaying games, producing guides for sales people and on marketing may be well received.

ST Strategies: To counter the threats stated, clearly stating the strengths of the product, creating cooperation with potential competitors, experience sharing

from existing players that would counter the sceptics that are still unbelieving of the product and the opportunities that it offers.

WT Strategies: In order to avoid potential catastrophes, following the situation in the target market and listening to existing customers so that they will feel heard. Active interaction ensures that purchase pending questions get answered and customers feel taken care of. Clearly defined product makes it easier for a consumer to make the purchase decision and for stores to make a sale on this product.

3.3.3 PESTLE analysis

For gaining a deep understanding of the macro environment, the organization needs to conduct a PESTLE analysis, in order to identify key influences, forecasts and interconnections between events (Lynch 2003, 89). The analysis will look at Political, Economical, Socio-cultural, Technological, Environmental and Legal aspects (Lynch 2003, 89). The PESTLE analysis will be part of the external audit the company needs to undertake when writing a marketing plan (Wood 2010, 36). However, the PESTLE analysis needs to be adjusted in order to suit Ironspine as they are intending to reach two different interest groups (Finnish and English language) within Finland and English speaking world.

Main political factors are restrictions and recommendations settled by the Finnish and US governments. With the case of US, the most likely challenges would rise from import and/or shipping of physical copies of the game. Decisions regarding enterprises and economy can affect Ironspine and Astraterra.

Most important economical factors relate to general economic situation, people's ability and interest to spend money on free time activities, currency exchange values and taxation both within Finland as well as export and import charges. Taxation also may pose changes to the campaign as there have been initiatives to change the taxation of several consumer areas.

Socio-cultural also play a key factor. These factors have a great impact on the consumer behavior and purchase decisions. The important areas under this category are increased environmental consciousness (materials and shipping end user heavy products to the other side of the world), as well as preferences and trendy activities and hobbies - in which roleplaying has seen both ends, high interest and low opinion.

As the technological development is advancing in leaps and bounds, the most important area of interest would be in newly budding marketing channels that would cover areas that have otherwise been difficult to contact. Also the opportunities presented by new sales platforms are something to keep an eye out

for. Lately one of these has been Patreon which focuses on intellectual property subscription platform.

Since the product in question is mainly categorized under intellectual property, the legal focus comes from covering the bases by attaining intellectual property rights on the product, unique aspects and trademarking the name of the product, the fictional world and the rule system.

Ethical issues are also considered to be an increasing aspect to be considered when making a purchasing decision. Topics of social responsibility, working conditions and the quality of the products are areas that the customers are likely to inquire over. The advantage of producing everything in Finland, is that it already adheres to EU set directives and Finland has an overall reputation as a country of responsible production. One area that may have an affect is the ethicality of marketing. In this, one must be sure to avoid marketing directly to children, as that has risen as a new area of contempt among parents. Because of this, the marketing is best focused towards the parents.

3.3.4 Competition Analysis in Finland

Competition analysis for Astraterra is divided into two categories; Finnish landscape and English speaking landscape. Through this analysis, the aspects of the competition are dissected on the basis of which products is Astraterra up against as well as assessing potential weaknesses among the competitors' products. How is the market in relation of the competition and are there customers that are going unheeded. What are the differences between Astraterra and other competitors. The analysis contains following aspects: market, competition strengths and weaknesses, the importance of Astraterra's target market to competitors, barriers of entry and window of opportunity. In addition to these, there is a slight description of the key competitors.

Market in question is a niche in comparison with boardgames for example, with expressed interest from different youth organization and libraries based on prior experience. Based on attendance at major hobbyist events, the market is showing signs of increased liquidity in monetary assets as well as increase in the number of active hobbyists. The previous generation has started having children. The main competitor is Mike Pohjola's Myrskyn Sankarit (Age of the Tempest), but this is with a fantasy twist, rather than Astraterra, which has a focus in sci-fi adventure. There is a small market of Finnish RPGs but they are unlikely to pose much of a threat, as the annual publication numbers are still very low.

The biggest threat with Mike Pohjola's Myrskyn Sankarit (Age of the Tempest), is that it has rather directly the same target market. The upside to this is that a lot of parents have already combined the two games via a star-gate, which has meant sales alongside the competitor. It is also part of the Finnish game producing scene, which tends to get supported (Figure 3) whether

there was an intention to play or not. Myrskyn Sankarit is perhaps slightly more well known among the potential target market, as the creator Mike Pohjola has a very long history in the scene. However, many critics have claimed that Astraterra's game system is more suited to younger players and as such will more likely attract those that are critical in such areas.

While the Finnish second edition publication were unlikely to face any significant difficulties when launching the crowdfunding campaign, the situation with the English translation faced much more difficulties regarding entry to the market. The English language market has higher saturation on the market in regards to English language roleplaying games. There is the relief that Astraterra, which has significantly differing target market of children, it doesn't have direct competitors aside from previously mentioned. Since the product in question is funded through Indiegogo's crowdfunding platform, there are no entry fees to act as barriers to entry. Should there be not enough interest in the target segment, that just means that the production will not proceed.

Because this is a newly emerging interest within the target market, there is slight time sensitivity in play. There are advantages to aiming for as early a crowdfunding campaign launch as possible, so the likelihood of competitor products entering the market and so grabbing the early advantage is lost to competitor.

The competitor types will be shortly outlined and determined whether there are any competitors that fit that certain category.

First there is Brand Competitor, which is considered to be in direct competition of the intended product both in regards of product characteristics as well as target market. In short, similar service for similar price. Mike Pohjola's Myrskyn Sankarit (Age of the Tempest), which has few advantages on its side. First of, Myrskyn Sankari made it first to both markets; Finnish version through Tactic - major non-analog game publishing company that operates in nine countries, and English version through crowdfunding - mostly Finnish contributors. The weaknesses of Myrskyn Sankarit, is that the products (main line and additions) are not readily available in online RPG publication stores and rule system that is considered to be weaker. Advantages to Astraterra are the combination sales with Myrskyn Sankarit and the visibility it brings to the entire game scene.

Second competitor type is Product Competitor, which is a direct competitor in the same target market, but there are differences in characteristics, which is where this type of competitor product aims - to be the "cheap" option. Thankfully there are no direct product competitors in this area. One could make the case for creative story telling being a potential competitor in this area.

Third competitor type is a Generic Competitor, which is an indirect competitor that attempts to satisfy the same needs with less. This would be a more

suitable category for creative storytelling. A lot of board and card games can be attributed to this category.

The fourth and last competitor type is the Total Budget Competitor, also called Phantom Competitor, that the customer will forgo your product in favor of this option. In this case it might be "free time activity for the entire family" or book or other product that might be purchased with the same area of budget. Simply, they just wanted the other thing more than your product.

Other competitors on general level in Finnish roleplaying scene would likely be: James Raggi's Lamentations of the Flame Princess, Juhana Pettersson's games, Ville Vuorela's Stalker and Praedor or perhaps RuneQuest. As stated prior, the Finnish roleplaying game creator scene active but small time publishing, very niche in it's sales.

3.3.5 Competition analysis in USA

Entering the US market poses much bigger challenges in order to successfully take a place among the countless of other products that already habit the target market and find a way to reach those consumers that are not active in social media, or just frankly lose them out of the equation for the initial entry. There have already been several successful campaigns in similar vein over crowdfunding platforms and it has established itself as a valid funding model to much higher degree. This should pose an advantage for a new product entering the target market in US. Other English speaking countries are much harder target markets to estimate in responsiveness as they are not as clearly represented in crowdfunding arena.

Some of the already successful roleplaying and boardgame campaigns include: Conan by Monolith Boardgames LLC (16 038 backers pledged \$3,327,757), Infinity by Corvus Belli (3 494 backers pledged £346,330), 7th sea second edition by John Wick (11 483 backers pledged \$1,316,813), Numenera by Monte Cook Games (4 658 backers pledged \$517,255) and Blades in the dark by John Harper (3 925 backers pledged \$179,280).

Most commonly chosen pledge amounts for the campaigns stated above were from \$50 to \$120, with high number of stretch goals placed maximum \$500 from the previous. Some of the stretch goals were for everyone, everything for full product backers (starting from ~\$60 pledges, lowest started at \$20). Some of the bigger stretch goals were full additional books.

Based on brief analysis of success percentage among fully defined non-analog boardgame and roleplaying game campaigns, the likelihood of an successful campaign in Kickstarter would be a given, since that is the primary platform for US based products. Indiegogo would require a much more carefully planned marketing campaign. The good thing about this target market is that they are rather in contact with other hobbyist so that word of mouth marketin

may reach a much higher success rate than expected. Some investment in social media marketing, visibility through interpersonal relations; so game masters, roleplaying game and boardgame creators, who will in turn share it with their audience.

There is no direct competitor in the market in new products, so Astraterra should fit right in, and the old generation likeliest competitor would be Dungeons and Dragons RedBox, which in turn is for older children as a starting age than Astraterra is.

3.3.6 Challenges

Finland

The greatest challenge in short in Finnish market is to expand to new audiences that have not encountered the product prior in their life and collect those stragglers that were too slow in acting with the first edition roleplaying game and perhaps entice the previous customers to buy it as a gift for relatives outside the immediate family.

Getting more visibility in media and active game masters to run the game in their area, attracting new customers through experiences would be something that takes a little more planning to achieve.

Additional sales once the main book is bought and more adventures, creatures and treasures come in addition packages for players seeking to expand their universe. Lorebooks on the universe are also something for those who prefer a more established universe for their games.

USA and other English speaking countries

Simply reaching a significant percentage of the US audience will be a challenge to be conquered, but they are likely much easier to reach through social media. Other English speaking areas and the target customers in those areas will most likely be defined by their presence in common roleplaying gamer communities in Facebook. If the recently established Instagram manages to bring in more customers, the better for the campaign.

Other main difficulty comes from trying to establish the product clearly for someone who isn't at all familiar with the game's concept and what it means in practice to be for 'all ages'. The expectations for games may differ from what we are aware of in the Finnish market, and there needs to be a readiness to reassure consumers and re-adjust the campaign materials based on reactions and changes in the target audience.

3.3.7 Competitive advantage

The competitive analysis is of key importance for Ironspine and the product Astraterra, in order to gain a better understanding of the micro and macro competitive environments (Solomon et al. 2008, 77). The competitive micro environment aims to reflect the product choices in competitors from which target consumers can choose, this selection has three separate aspects: income, product and brand.

Income doesn't have a very big role as the purchasing price of the products is low enough for anyone that has a handle on their finances to achieve with relative ease. Product is clearly defined and communicated through different channels for maximum awareness on a minimum budget and reviews are collected for referential use and later used to help new customers to get an objective opinion of the product and give stability in the market as an established product that is reliable. Brand for customer is centered around small time Finnish publishing from a family man to families.

On the other side, the macro environment analyzes the industry as a whole (Salomon et al. 2008, 83). To establish a clear competitive analysis, Porter's 5 forces will be used as a tool. Porter identified five basic forces that can act on the entity: The bargaining power of suppliers, the bargaining power of buyers, the threat of potential new entrants, the threat of substitutes and the extent of competitive rivalry (Lynch 2008, 103-104).

There are relative to no remarkable bargaining power from suppliers as the books are a single order at a time deal and the ordered materials are stored by the company Ironspine. The other bargaining power of consumers on the other hand dictates many aspects of the business starting from improving the materials, demand and is the definitive success factor. There is an existing threat of new entrants to the market especially in the case of the English translation, where time is key. Substitutes on the other hand pose only the risk that any product of something in similar vein chosen over it. And in the case of competitive rivalry, there is a positive rivalry with Mike Pohjola's Myrskyn Sankarit (Age of the Tempest) that shares the market with no conflict.

3.4 Marketing strategy

In this chapter, chosen strategies in selected areas are outlined, as well as potential areas that need closer inspection as time goes on. Objectives, target markets, positioning and marketing mix are overviewed from a more practical aspect, and outlined the actions required to achieve those, or should they already have been implemented, stated as so.

In the case of the narrow target market of existing roleplaying game enthusiasts, a Focus Strategy will be adopted to guarantee a good market share and established audience for future projects regarding to Astraterra.

Should there be an attempt to breach the larger market share among the main stream consumers and more clearly defined, family-oriented free time activities option, the chosen strategy would be that of a Differentiation Strategy. For the Differentiation Strategy, aspects that support young children's development and the enjoyment of the entire family will be outlined with higher focus in order to capture the interest of potential customers.

3.4.1 Objectives

The objectives of this marketing plan is divided to two categories. The objectives have been aimed to set in areas that while not quite measurable to a point, they are observable through sales and social media activity. They also do part of their work in helping to cultivate strategies to attain these goals and help teach just what works with each objective. The other half of this information comes from target markets and the success in awareness and increases in sales.

The division is between the two products; Astraterra's Finnish second edition, and Astraterra's English translation.

The Astraterra's Finnish second edition objectives are outlined as following:

- To capture those that missed the printed publication during the first run-through
- To capture those Finnish roleplaying game enthusiasts that are not aware of the product and bring it to their attention
- Gain awareness and additional customers within Finnish families
- Gain awareness and additional customers within youth communities and activity centers, and youth advisors. Libraries fall under this objective as well.
- Gain the attention of people interested in the hobby and work as the entry level gain through which to gain experience of roleplaying games with low threshold.

The Astraterra's English translation objectives are outlined as such:

- To implement a crowdfunding campaign that gains enough audience for it's campaign to be a successful campaign and a solid funding base for the product line
- To enter a new market successfully through a completed crowdfunding campaign and gain new customers through it
- To gain enough funding for it to guarantee new endeavors.

These objectives are meant to be the initial beginning and guide the process along during the beginning phases of the development. They are also meant to be fluid and react to changes in circumstances, target market or trends and market needs.

3.4.2 Target markets

Target markets are divided to two main categories based on the products they relate to.

The target market for Astraterra's Finnish second edition:

- Finnish roleplaying game enthusiasts
- Finnish roleplaying game enthusiasts with children, relatives with children or godchildren that they would like to "corrupt" to the hobby
- Finnish families
- Entry level hobbyists

The target market for Astraterra's English translation:

- English language roleplaying game enthusiasts with children or relatives with children or godchildren to corrupt
- Entry level hobbyist
- For those wishing to initiate people to RPGs through easy campaign
- Finnish people who would like to introduce Finnish RPGs to other nationalities

3.4.3 Positioning

Since the product in question is aimed at a narrow target market, the chosen strategy for it is Focus Strategy, to give the target market the attention and cultivation that it needs to build stability and responsible reputation among consumers. Key aspect of this strategy is excellent customer service and social media presence that is stable and regular.

In case of attempt at capturing greater audience, then the preferred strategy would heavily lean towards towards Differentiation Strategy in order to clarify and distinguish the position in the market and product characteristics in an easy to understand way for the customers to observe.

Astraterra wants to be identified as an entry level adventure scifi RPG for all ages, that has a rule system that is simple to adapt to. As the product was designed with the target market in mind and with the target audience (5, 7 and 9 year old kids playing with their parents) attuning the product attributes to customer preferences is a given strategy that is partially already carried over with the Finnish second edition, which focuses on improving from the first edition. The English translation is based on the second edition print.

Since Astraterra is a niche product initially, a lot of information needs to be offered from the beginning, and this is offered freely through Astraterra's own website. Some of the aspects of the game - such as character sheets, creature sheets, special weapon forms and pet sheets, all the way to several pre-written adventures for the game campaign. This is an established tradition to give back to active customers and keep the interest on the product up.

3.4.4 Marketing mix

Product

Astraterra was created to respond to the existing need of roleplaying game with themes suitable for even the youngest children, yet complex enough to be interesting for the adults as well. As a reference Pixar movies were mentioned; suitable for very young audiences but included enough covert humor and complexities to keep the attention of adults.

With the second edition, one of central aspects that was changed, was that instead of one book encompassing all the material, the second edition were to have separate book for game master and players. On the practical side this decision was made so that the book would be lighter to handle by the young players, and on the game masters side it were to be much easier to keep some secrets from the players to ensure a better campaign.

Differentiation from the closest competitor of Myrskyn Sankarit (Age of the Tempest) comes from the games theme of science fiction to Myrskyn Sankarit (Age of the Tempest) which is more fantasy themed. Astraterra has gained a higher positive response rate from adults playing the game, while Myrskyn Sankarit is easy enough for children to play amongst themselves.

Place

The product is to be sold at hobbyist themed specialty stores that focus on selling items like games of all sorts, comics, DVDs and figurines. Stores like this include Puolenkuun pelit and Fantasiapelit. There are other new potential sales channels such as Hiidenpelit, that has a high likelihood of becoming a new sales location. Ironspine sells directly at events and through their own online store. This means that on location sale locations can be found in major Finnish cities and the rest of the country is covered through online and event sales.

Customers often expect event sales to either include a promotion of some sort or the presenting of the newest products through demonstrations and ran game scenarios. Events are ideal at building reputation among the hobbyists because you get much better feedback from face to face sales than through other means.

Ironspine's strong point in sales locations is the excellent online store, that the direct competitor Myrskyn Sankarit (Age of the Tempest) lacks. The online store makes creating additional sales much more easy, since the owners of the core rulebooks are likely to check that prior to making any purchases.

Price

The main reference for Astraterra comes through American roleplaying game publishing company Green Ronin that has similar size and type products to Astraterra (~120 pages, hardcover, color printing). Green Ronin's prices are generally considered to be very fair and a reasonable expectation for the customer.

Customers from the initial target market are somewhat price sensitive, but often give leeway to Finnish small publications and creators they find promising. Some even prefer to find a slightly higher price group in order to guarantee the creator funds to continue with their campaign.

The main competitor moves in the same price range, although their VAT category is higher because it is set in a box, while Astraterra is taxed as a regular book would (24% and 10%).

Promotion

The most efficient promotion locations are events and social media.

At events, there are several ways to get your message through: presence in the sales room, hosting panels or lectures on the product, the development process or small time publishing, running game scenarios for attendees and purchasing advertisement space from the program leaflet.

Social media is more about cultivating and maintaining existing customer relations, or transforming a mental supporter into a customer. Occasionally Facebook advertisements for clearly defined audience help bring in potential new customers and remind old ones of their existence.

There is only one definite rule in regards to promotions - no marketing directly to kids!

4 RECOMMENDATIONS

In Recommendations I will be describing the process used in implementing this plan as well as reflecting on hindsight on the success and failures with the campaign. This will begin from the planning stages, and finish with reflection over how things went and if there are things to learn from for the next time regarding a crowdfunding project.

4.1 Before the campaign

Everything started with a meeting between the author and Ironspine's founder Miska Fredman. During the first meeting, there was a lot of discussing regard-

ing the objectives, target numbers, target markets and the progression of the project at each stage. Mr. Fredman had a rather clear picture over what he was expecting and how to reach the initial audience, so we got started from there.

In the preparation stages, we planned how the marketing would progress as the campaign went along. This included preparing the actual crowdfunding page materials, press releases (and to whom to send them), preparing blog posts on the differences of the first and second editions and explaining why the product had changed from identifying as a children's RPG to a RPG for all ages. Identifying the marketing channels with the best reach among target market was also central for the planning.

One of the most consuming areas was planning suitable perk-levels, so supporters of every income level would have something that would suit their needs. Something that also complicated deciding was the inclusion of BackerKit service at Indiegogo, which is a separate service that integrates with Indiegogo and Kickstarter for example. BackerKit is a tool to help with the reward fulfillment and logistics parts of the process. It helps at sending surveys, optimize and automate shipping, distributes digital downloads and information management as a part of the service.

The target amount to be funded also needed to be calculated, but that was reasonably easy to do based on the previous campaigns, and offer for printing from the preferred company. Profitability calculation was what pulled all these costs together and gave the starting number to start figuring out the final funding amount to be targeted. The target amount was set at €4,000, with stretch goals every €500.

Part of the customization of the marketing campaign, a discussion was started in Roolipelaajien Suomi (Roleplayers' Finland) Facebook community over the reasons behind their purchase behavior regarding roleplaying games (Figure 3), which in itself helped to target and fine tune the marketing campaign to suit their needs even better.

4.2 During the campaign

Crowdfunding campaigns follow the rule of several others, in which half of the work is done during the planning process, the rest is divided between during and after, and this is exactly what happened. Most of the during time went to refreshing the campaign page, and following how the contributions started coming in and kept their steady rise towards the target amount.

The marketing for the campaign was divided to five main points: pre-marketing, campaign marketing, communicating about and with the campaign, recognition and humility and aftermath. In practicality the pre-marketing was about giving a heads up about the campaign starting, campaign marketing was focused on bringing people in and checking out the campaign

and potentially contributing, communicating about customer service and attempting to clarify concerns about the product before they properly surfaced, recognition and humility about noting the achievements with the funding progress and remembering to take notice of those who were making it possible and finally aftermath was about informing people of the results, which in this case was a success with continued purchasing options through the crowdfunding page, and keeping people up to date about progression with the product and details on when and how it would get to the contributors.

Campaign updates and social media presence were likely the most involving aspects of during campaign activities. Informing people about developments without spamming them and answering questions on the adverts and page of the campaign and the product Astraterra. One live broadcast of Q&A session was also arranged for the campaign duration that was also available for viewing after the broadcast on Facebook.

The campaign was a success as 100% of the initial target amount was reached in 15 days, first stretch goal in 16 days.

4.3 After the campaign

Work after the initial campaign time had ended can be divided to two categories: outward and inward. Roughly put, the outward consisted of anything to do with customers, PR and additional sales, and the inward was about handling the final production of the materials for the product, ordering the product and handling the information management for BackerKit.

Outwards included for example, thank yous to all the contributors and recognition about the achievement, confirming the timetable for when to expect the product to be available, and since the campaign was a success that meant that sales could be continued through Indiegogo for a defined time period (practically until the product was sent for print) and such pressing on for after sales through the main campaign, as well as through BackerKit service was part of the external activities.

Inwards included actual information management which consisted of surveys to the contributors and confirming their orders, as well as gathering other information that was required to fulfill their order - such as t-shirt sizes. Practical aspects of creating the stretch goal materials that were achieved through the campaign, and ordering and final edits for the books were part of this.

On the more intellectual side, there was reflection on the success of the campaign and what areas to improve for the Astraterra's English translation crowdfunding campaign - especially what worked and what didn't work with marketing and customer relations. This campaign gave a good starting structure for the next campaign to start with.

4.4 Afterthoughts

Overall, this was a very educational experience about funding overall. While crowdfunding has rather unique aspects with singular small contributions, and having to convince a much larger body of people that the product was worth investing on, it gave a good view on online marketing and campaign planning - that I'm certain will prove to be of practical use in the future.

I believe that while crowdfunding as a funding model can be rather intimidating when one sees it the first time, or rather uncertain with plenty of variables for someone more used to traditional funding models, it is a valid way to gather money for production with lower risk factors for the investors as well as the creator behind the campaign. By my own experiences and observations, it is possible to gain incredible amounts through this funding model - that is if your product is good enough. If your product is not good enough, well, there's nothing lost with trying. Keep at it, and maybe next time you'll find success.

Even with expectations of very painless campaign with Astraterra because of the very supportive environment, the achievement of 80% with 19 days left to gather (of 4000€ target) and success at day 15, was simply astounding. While there could always have been more marketing - but on the other hand, is there ever enough marketing? - the campaign ran very smoothly. Frankly, once you knew the rules, crowdfunding was a rather practical and easy way to fund production for a product with interested but niche audience. I'm looking forwards to seeing how this arena develops in the future and whether it gains more popularity within Finland once the rules are understood better.

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CROWDFUNDING PLATFORMS

Attachment 1: Crowdfunding platforms

(a) Money for goods

There are two basic models provided for – some sites offer a choice between them:

- **All or Nothing (AoN)** – When the fund-raising period is over, money is only collected from the contributors if a pre-determined minimum amount of money has been pledged. If the goal is not met, no money is collected.
- **Keep it All (KiA)** – Whether the project goal is met or not, all of the funds collected (minus commission) are handed over to the entrepreneur. If he or she has insufficient funds to meet the objectives, then it is up to the recipient to refund them to the contributors.

Name	Funding model	Focus	Country	Notes
ArtistShare	KiA	Musicians	US	Has own record label.
CentUp	KiA	Ongoing transactions and Social Impact	US	Decentralized crowdfunding linked to specific pieces of content.
ClassWish	KiA	Education crowdfunding for school and teacher supplies	US	Allows tax-deductible support of any school and any teacher in the U.S.
CommonBond	KiA	Student loans	US	Funded by crowdsourcing and large investors.
Community Funded	KiA	Platform Creation for Universities, Nonprofits, and Faith-Based Organizations	US	Allows for white-labeled integration on existing websites
First Funder	KiA or AoN	Community based	US	
FundAnything	KiA	Funding for any kind of project - business, creative, arts, personal, charitable.	US	Fundraising backed by major celebrities such as Donald Trump.
FundedByMe	AoN	Equity and rewards	Sweden, Finland, Norway, Italy, Germany, Denmark	Only platform offering equity and reward based crowdfunding in combination with European-wide cross-border investments.

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FundRazr	KiA or AoN	Personal, charitable, entrepreneurial, creative, and political causes	Canada	Lets you embed your campaign on Facebook, blog or website using easy to use Widgets. Offers Live Chat and Personal Coaching.
Fundly	KiA	Personal, charitable, and political causes	US	Available as an app for a Facebook page. Charges a per credit card transaction fee.
GiveForward	KiA	Online fundraising website to raise money for medical expenses.	US	Provides personal fundraising coaches.
GlobalGiving	KiA	Nonprofit fundraising for registered organizations in 160+ countries	US, UK, Worldwide	Provides 501c3 equivalency for non-US organizations
GoFundMe	KiA or AoN	Non incentive-based crowdfunding website. Set up to allow for donations to personal causes and life events.	US	Provides 5-minute customer email support.
Headstart	AoN	Entrepreneurs	Israel	
ICrowdFund	KiA or AoN	Donation and Reward	Ireland	Non-profit and individual crowdfunding with donation and reward options.
Indiegogo	KiA or AoN	Allows a broad range of projects	US	
JustGiving	KiA	Social good causes and campaigns	UK	Non-profit and individual donation crowdfunding.
Ketto	KiA	Funding for any kind of project - business, creative, arts, personal, charitable.	India	Largest platform in India.
Kickstarter	AoN	Creative projects	US, UK, Canada, Australia, New Zealand	Highest funded projects to date
LaunchGood	KiA or AoN	Allows a broad range of projects	US, Canada, France, Russia, Brazil, and 15 other countries	Largely faith-based, focused on the worldwide Muslim community
Mobcaster	AoN	TV shows	US	
Myfreeimplants	AoN	Cosmetic surgery	US	Focused on breast augmentations. International-

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				al
Offbeatr	AoN	Pornography	US	Projects must first get enough votes from users before they are open for funding
Peoplefund.it	AoN		UK	Attached to Hugh Fearnley-Whittingstall
Piggybackr	KiA	Young children, students, and teams	US	Young students may raise money. Compliant with Children's Online Privacy Protection Act
Planeta.ru	AoN or KiA	Allows a broad range of projects	Russia	
PledgeMe	AoN	Allows a broad range of projects	New Zealand	
PledgeMusic	AoN	Musicians	Spain, UK, US	
Pozible	AoN	Creative	Australia, Singapore, Malaysia, US	Bitcoin can be used, Self-hosting can be used, One-on-One help
Rally.org	KiA	Medical, educational, charitable, creative, entrepreneurial, and political causes	US, Germany	
RocketHub	KiA		US	
Sellaband	AoN	Musicians	Germany	
Sponsume	KiA		UK	
Tilt.com	KiA or AoN	Any goal	US	Offers both a consumer product and enterprise solution for brands.
YouCaring	KiA	Medical expenses, memorials and other personal and charitable causes	US, UK, Western Europe	Does not charge any fees, other than payment processing
Weeve	KiA	Nonprofits	Canada	Site operates "freemium" model without transaction fees

(b) Donation based

Some services invite people to donate to projects for the pleasure of giving. Philanthropy based services usually have other benefits such as tax credits or rebates.

Name	Funding	Focus	Country	Notes	Number of	Donated
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	model				Donors	Sum
DonorsChoose	AoN	Education	US		1,974,461	
Experiment.com	AoN	Scientific re- search	US	Formerly called Mi- croryza	19,266	\$5 Million
Givology	AoN	Education in developing countries			22,443	\$500,969
Kopernik	AoN	Distributing basic technol- ogies in devel- oping countries				

(c) Money for business ventures

Crowd funding can be used to raise capital (equity) or borrow money. While organized informally, they typically involve large numbers of small investors or lenders.

- **Equity crowdfunding** – Investors receive equity in the company or entrepreneur that is raising funds.
- **Debt crowdfunding** – The entrepreneur or company borrows money and must repay it (typically, with interest).
- **Property crowdfunding** - Investors receive interest in the property from an owner who is raising funds.
- **Other crowdfunding** – There are a number of other schemes in use which are generally unique to particular services, e.g., perks, publication, or rewards.

Name	Funding model	Focus	Country	Notes	Number of Investors	Invested Sum
Angels Den	Equity, Debt, Donations	All businesses	UK			
AngelList	Equity, Debt	Start-ups	US	Currently serves only accredited investors		\$104 Million
BnkToTheFuture	Equity, Debt, Rewards	small businesses and new start-ups crowdfunding	CYM			
CircleUp	Equity	Consumer products and retail	US	Currently serves only accredited investors .		€50 Million
Companisto	Equity	European companies, Investors from all over the world; Crowd Investing + Venture Loan ^[2]	Germany, Switzerland / Europe		45,000	€25 Million

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Crowdfunder	Equity, Debt	Small and medium sized businesses	US	Currently serves only accredited investors	12,000	\$100 Million
CrowdCube	Equity, Rewards	start-ups, small businesses, growing businesses	UK		167,384	£80 Million
EarlyShares	Equity		US			
Emerging Crowd	Equity, Debt	SMEs in emerging and frontier markets	UK			
EquityNet	Equity, Debt	Startups and mature companies	US	Launched crowdfunding platform for Reg D offerings in 2005		\$200 Million
Fundable	Equity, Debt, Rewards	Seed stage businesses	US			\$164 Million
FundedByMe	Equity, Rewards	Entrepreneurs	Sweden, Finland, Norway, Italy, Germany, Denmark		61,592	€16 Million
Funding Circle	Debt	Small businesses	UK		39,738	£634 Million
Gambitious	Equity	Game development	Netherlands			
Innovation GmbH	Equity auctions		Germany			€2 Million
Invesdor	Equity	Startups and growth companies	Finland, Sweden, Denmark and Estonia			€5 Million
InvestedIn	Equity		USA			\$47 Million
Invest Next Door	Equity	Small Businesses	US	Currently serves only accredited investors		
Kiva	Debt	Entrepreneurship in developing countries			1,286,412	\$703 Million
Lendico	Debt	Small and medium sized businesses	Germany			
Lending Club	Debt		USA			\$9 Million
LendingCrowd	Debt	Small and medium sized businesses	UK	First Scottish peer-to-peer lending platform		£1.2 Million
LendInvest	Debt	Property Development Entrepreneurs/ Mortgages	UK	First live peer-to-peer lending platform specifically for resi-		£308 Million

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				dential and commercial mortgages		
MicroVentures	Equity	Tech Startups & High Growth	US	Currently serves only accredited investors	28,000	\$70 Million
Optimize Capital Markets	Equity		Canada			
OurCrowd	Equity		Israel			
PledgeMe	Equity		New Zealand			
Prosper Marketplace	Debt		USA		2,200,000	\$3,000 Million
rebuildingsociety.com	Debt	All businesses	UK			
Return on Change	Equity	Early and growth stage startups in critical industries	USA			
Rock The Post	Equity	Early stage tech-startups	USA			
SecondMarket	Equity, Debt	Late stage start-ups and privately held companies at a pre-IPO or pre-acquisition stage	USA			
SeedInvest	Equity	Early stage technology startups	USA	Currently serves accredited investors and Regulation A public rounds.	25,000	\$20 Million
Seedrs	Equity	Seed-stage businesses, Investments from £10+	UK & Europe	First equity crowd funding platform to be approved by the FSA in the UK.	30,000	£100 Million
Seedups	Equity	Early stage tech-startups	UK, Ireland, USA & Canada			
StartupValley	Equity	Technology start-ups and businesses	US			
Symbid	Equity, Rewards	Start ups and business ideas, entrepreneurs, small businesses, accelerators, incubators, crowd investors, angel investors	Netherlands	Responsible for one third of the Dutch crowdfunding market in 2012	33,500	€321 Million
Syndicate-Room	Equity	Growth businesses	UK			£37 million
TenPages.com	Revenue sharing	Books	Netherlands			
ThinCats	Debt	Small businesses	UK			£110

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						Million
Trillion Fund	Equity	environmental and social projects	UK		7,000	
TrustLeaf	Debt	Small businesses	US	Friends and family crowdfunding	1,600	\$41 Million
TubeStart	Equity	Video production	US			
Unbound	Perqs	Books	UK	Acts as both a crowdfunding platform and a publisher. Launched Terry Jones' <i>Evil Machines</i> , the first ^[citation needed] book to be financed by crowd funding.		
Upstart	Debt	Loans for recent college graduates	US	Currently serves only accredited investors		
Wahooly	Equity	Tech startups	US	Rebranded to chasm.io in May 2013, closed in September 2014		
Wefunder	Equity	Startups	US		45,000	\$13 Million
Wishberry	Debt	Creative startups	India		10,500	
Zencap	Debt	Small and medium sized businesses	Germany, Spain, Netherlands			
Zopa	Debt		UK			

(d)

Continuous funding

Some services allow for a continuous funding model as opposed to a one-time donation. These tend to apply to, but are not limited to, art projects such as music, YouTube videos, podcasts, web-comics, etc. — anyone who makes content on a regular basis. They differ mainly in the frequency in which payments are charged to the funders.

Name	Frequency	Focus	Notes
Bountysource	Monthly or one-time donations	Open-source software developers	Money can be withdrawn via PayPal, Check, Bitcoin, and Ripple or used to post software bounties within Bountysource.
Patreon	Monthly or every time new content is released	Musicians, Podcasts, Vloggers, Youtubers, Webcomics	Subscribing to a project allows to view and post on its content stream. Patreon allows to set a monthly maximum to avoid going

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			over a set budget.
Subbable	Monthly or one-time donations	Web series (both entertainment- and education-oriented)	The money that users spend goes into a "perk bank" and can be redeemed for creator-determined perks. Free subscriptions are available.
Sprked	Monthly or every-time content is released	Modders (mod creators), Indie gamers, Live streaming, Gaming related	The site uses a subscription-based model but the actual mods are not allowed to be sold.

(e) Post-creation services

Some services invite people to reward creators after they already published their work.

Name	Method	Focus	Notes
Flattr	Flattr button display along the content	Content creators	
Unglue.it	Contributing to making books open access	Books	