
Public Online Failure With Crowdfunding

Michael Greenberg
Northwestern University
2133 N. Sheridan Rd
Evanston, IL 60652, USA
mdgreenb@u.northwestern.edu

Abstract

Kickstarter is a growing online crowdfunding platform where individuals attempt to raise funds for creative projects by leveraging their personal social networks for small financial contributions. Crowdfunding platforms like Kickstarter are actively growing, with thousands of individuals attempting projects each month. While other scholarly research and the popular press has focused on the success stories from crowdfunding, the fact remains that a majority of projects fail. Little attention has focused on the majority of individuals who have run failed projects and experienced a publicly embarrassing event in the process. We see crowdfunding platforms as a unique opportunity to study and understand how individuals react to online embarrassment.

ACM Classification Keywords

H.5.m [Information interfaces and presentation (e.g., HCI)]: Miscellaneous.

Introduction

In the Spring of 2013, Chris Dickens, an entrepreneur from California raised over \$2,989 via contributions from 72 individuals on Kickstarter.com to fund the production of “The Vigilante Project,” an independent comic book. However, this was not Chris’s first attempt at fundraising on Kickstarter. Just two months prior, an earlier iteration

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of the same project failed to meet its funding goal, gathering contributions from only 35 individuals. Chris was undeterred after his first failure. Bolstered by social support from peers, he committed to the mission of the project by keeping his supporters updated on his progress as he refactored and prepared to try again. And after his second attempt at the project was successful, Chris has remained an active member of the Kickstarter community by financially supporting the projects of nine others. Chris's case is atypical for participants on Kickstarter, as only 3% of failed projects creators attempt to relaunch their project [4]. As such, we position crowdfunding platforms like Kickstarter as a unique location to study how individuals react to the embarrassing experience of online failure.

Theoretical Framing

Since failure is often part of a longer creative process, this begs the following question: what might motivate people like Chris who have failed to return to crowdfunding? While the process of creative expression is often characterized by a series of failures on the way to an eventual success [1], we have observed through previous work that Kickstarter actively does not support the process of iterative failure necessary for creative work [4]. On Kickstarter, roughly 50% of projects fail, however only 3.8% of failed projects eventually relaunch and try again [4]. If platforms like Kickstarter represent the way that individuals will get started with creative work in the future, then we have a responsibility to understand the publicly embarrassing experience of failure on these platforms and to design for it.

The future of online creative entrepreneurship and creative work might hinge on supporting failure within these platforms more effectively, since the failures are

highly visible to social networks and persist even after the project has ended. Related work from entrepreneurship studies has described a theory of how entrepreneurs persistence through failure through a solitary process [5], however the online environment is highly social and provides numerous avenues for feedback from peers [3]. So while participating in these platforms might be cheaper in the sense of monetary costs to participate, failure is potentially more costly in the sense of social costs [2]. Therefore we are doubly concerned with supporting failure within these platforms; not only is failure a critical part of the creative process, if not handled correctly, it can have severe detrimental effects in an online environment. We argue that in order for Kickstarter and other, future creative work platforms like Kickstarter to avoid stagnating user growth, they must be designed with the experience of iterative failure in mind.

It is inevitable on platforms like Kickstarter, or any creative platform for that matter, that a certain percentage of the population will experience a failure before an eventual success. While previous research on crowdfunding showed that failure was often seen as a positive experience for project creators, the overwhelming majority of failed project creators do not return to their project [4]. We wonder then, why do people fail to return in any form? While in some extreme cases, failure can lead to stigmatization from further participation, a general failure to design for the experience of failure might manifest itself as a problem with user retention. This in turn might lead to a decline in participation on these platforms.

Furthermore, the story of Chris Dickens is just one example of how the Internet allows novices to pursue creative interests with minimal mediation. While the

minimal mediation of Internet platforms allows anybody the opportunity to start creative work, it especially helps novices who may not have existing networks of supporters. In addition, novices are inexperienced and have a high chance of failure. As these novice users represent the future of participants on these creative platforms, it is important to support them as they begin to participate, so as not to marginalize them before they can become experienced members of the community.

So while platforms like Kickstarter have emerged where people engage in creative ventures online, we know little about why creators fail to return and what can motivate individuals to come back after a failure event. Chris Dickens is an outlier in a community of abandoned projects, and we know very little about what makes his case different from the majority of project creators. We address this gap.

Results

Our previous work has shown that people find the experience of failing with crowdfunding to be embarrassing, yet rewarding at the same time [4]. In this work, where we interviewed 11 individuals who had run failed crowdfunding campaigns, everyone we interviewed responded that at least some part of the failure experience was positive. At the extremes, one individual described the experience of failure with crowdfunding as deeply disturbing “Oh my god, I lost confidence in myself and I was really disappointed. It became too personal for me...”. After three failure events this person was unwilling to attempt crowdfunding again, however they did report that they learned important skills in the process of failure. At the other end of the spectrum, others had largely positive experiences with failure events: “I dont want to be cheesy but it made me stronger. It made me stronger

in that I found different ways to connect with my audience... So, hopefully people are learning. People that fail learn and reevaluate, I know I did.” This individual used the embarrassing experience of failure as a learning experience and eventually launched a successful next campaign.

In future work we will study user retention after failure on Kickstarter as, we are interested in why people return after embarrassing creative failure online. We posit that HCI can contribute to this important problem by testing and designing interfaces which promote both social encouragement and individual persistence, both of which might help individuals to continue participating after and embarrassing failure. We argue that there is much to study in this important domain, which will become increasingly important in the coming years.

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