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# What is Crowdfunding? Bringing the Power of Kickstarter to Your Entrepreneurship Research and Teaching Activities

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Crowdfunding has emerged as a unique method for small and nascent businesses to avoid some of the pitfalls associated with capital acquisition. Kickstarter has emerged as a leading platform of crowdfunding, providing over $688 million in capital for nearly 50,000 projects. This paper explores the crowdfunding phenomenon using Kickstarter as a foundation. We identify the promise of Kickstarter for prospective entrepreneurs, small business owners, researchers, and educators. We also suggest an approach for integrating Kickstarter into Entrepreneurship courses.

Researchers interested in entrepreneurship and small business management have long studied the capital acquisition efforts of nascent and small businesses. This focus is well justified given the difficulties small businesses typically face obtaining necessary capital (Carter & Rosa, 1998). Indeed, capital-related issues rank among the most common reasons for small business failure (Yallapragada & Bhuiyan, 2011), a story even more common when examining minority owned small businesses (Robb, 2002).

Entrepreneurship programs within business schools represent a widely established vehicle for educating an entrepreneurial population. An entrepreneurial education is a prominent and common element of most AACSB programs, although there are questions about the utility of an entrepreneurial education as a facilitator of business-startups (Honig, 2004). O'Conner and Greene (2012) defend entrepreneurship education, noting a high correlation between business-educated entrepreneurs and start-up ventures, "if only because such support raises their awareness of the entrepreneurial option" (pg. 11). Elmuti, Khoury and Omran (2012) concur, adding that a formal education in entrepreneurship increases both the confidence and skills necessary for entrepreneurship, although they caution that such programs need to include reflective educational processes.

The purpose of this paper is to examine Kickstarter, one of the more popular and emergent crowdfunding platforms. We offer an overview of Kickstarter's, history, features, and the performance of venture funding through this channel. Then, we discuss the value of Kickstarter, and, by extension, crowdfunding, for educators, small business, and entrepreneurship. It is our belief that the integration of Kickstarter into the traditional entrepreneurship class would be beneficial. Kickstarter offers an opportunity for students to examine a variety of start-up and existing businesses as they pursue funding. This access offers both the ability to critically examine funding efforts while also challenging the students to think outside conventional paths in their own business plans. We conclude with an example of the application of Kickstarter promotion into the typical entrepreneurship course preparation.

## ON SMALL AND STARTUP BUSINESS FUNDING

As this paper is primarily focused on Kickstarter and its values in the entrepreneurship classroom, an extensive review of business funding mechanisms is outside the scope of this current effort. However, a review of the field helps demonstrate the need for, and importance of, Kickstarter and other crowdfunding platforms. We contend that the limits to the availability and suitability of traditional funding processes generate difficulties in finding adequate sources of capital. Lacking adequate sourcing

options, small and startup businesses often turn to the savings of the entrepreneur and his/her friends and families. This, in turn, leaves many of these businesses undercapitalized, ultimately contributing to the high mortality rate of small businesses.

Lussier and Halabi provide a more extensive review on small business failure and its underlying causes (Lussier & Halabi, 2010). Of the thirteen predictors, adequate capital and financial controls rate highly. Among the other sources of failure, businesses without professional advisors, self-operated businesses without a partnership, and minority owned businesses are each more likely to fail. This, in turn, links up to the findings of Robb (2002) who notes that for minority owned businesses, the lack of access to capital and expertise drives the overwhelming failure rates of minority owned businesses.

While expertise and planning are certainly crucial elements of startup success, the importance of adequate capitalization cannot be understated. Here we are primarily focused on the financing problem, and specifically the lack of financing alternatives for startups and small businesses. In part, the problem lies in lack of adequate sources of capital for small business and business startups. While larger, established businesses typically have numerous options for both debt and equity financing, small and startup businesses generally find themselves blocked from these same channels. Simply stated, credit channels favor older, established firms and equity channels evidence preferences for a narrow range of business startups. Whether due to their size, lack of business history, or structural obstruction, small business and startups simply lack the financing options available to larger firms. Therefore, many small and startup firms find their initial, and ongoing, financing, arises from the personal savings of the owners as well as their friends and families (Willoughby, 2008).

Equity funding through venture capital is a favored method of obtaining financing and expertise for startup firms. However, there are several issues associated with venture capital which limits its application. Venture capital typically seeks startups with provable and protectable intellectual property (Akin, 2011), or startups with large potential for growth. Further, venture capital itself is influenced by economic conditions, given that periods of economic downturn deplete the availability of capital (Lindgaard Christensen, 2011). The sensitivity of venture capital in an economic downturn is not surprising; investment in this area – particularly in early seed stages – has a high failure rate. With as many as half of all investments producing zero to negative returns (Degennaro, 2010), venture capital understandably shrinks when the economy as a whole becomes more at-risk. Thus, while venture capital is a useful, and often desirable, method of financing its limits in availability preclude its utility for some firms while its lack of suitability precludes still other viable firms.

An additional problem with capital acquisition appears to be unawareness of funding opportunities. Research on start-ups suggests that entrepreneurs with limited knowledge of funding systems routinely pursue less beneficial funding opportunities than do those with increased financial awareness (Seghers, Manigart, & Vanacker, 2012). In addition to embeddedness in social networks, evidence from Seghers and colleagues suggest that an entrepreneurship business education increases awareness of financing opportunities leading to utilization of more efficacious funding options.

In the United States, there exists a number of government programs designed to address these financing woes. The Small Business Administration, for example, provides guidelines and assistance in the administration of SBA lending. Additionally, many small firms find opportunities through government programs like the Small Business Innovation Research (SBIR) and related programs (Audretsch, 2003). Further, the government also contributes to the success of small business through direct mandates for contract awards to small businesses (Voelker & McDowell, 2011) including minority-owned small businesses (Abramowicz & Sparks, 2007; Gibson, McDowell, Harris, & Voelker, 2012; Reardon, Nicosia, & Moore, 2007).

Despite the successes of these programs, many viable small and startup businesses nonetheless remain capital constrained. In short, traditional capital channels often lead to potential funders failing to find viable seekers, as well as seekers of funds failing to find suitable funders. A more visible, and transparent, funding platform might remove these information asymmetries. In our investigation of Google search traffic we find compelling evidence of the popularity of Kickstarter and in our examination of Kickstarter, we document intriguing transparency. Having access to such a popular, and transparent, platform provides intriguing opportunities for entrepreneurs, researchers, and educators.

**WHAT IS KICKSTARTER?**

Ordanini, Miceli, Pizzetti and Parasuraman (2011) refer to crowdfunding as "a collective effort by consumers who network and pool their money together, usually via the internet, in order to invest in and support efforts initiated by other people or organizations" (pg. 443). Kickstarter launched in April, 2009 as a web-based crowdfunding mechanism supporting the creative arts. Today, the nearly 70-person organization provides a funding mechanism for a much broader array of project. The project categories Kickstarter lists include:

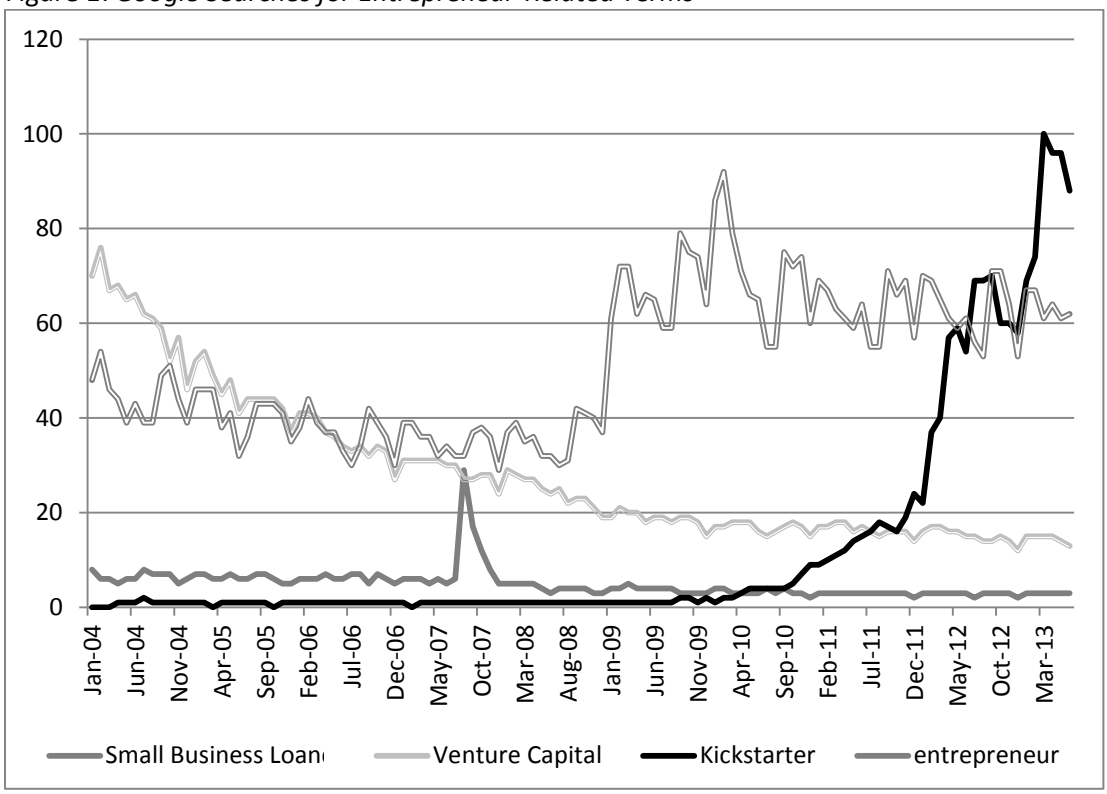
- Art
- Comics
- Dance
- Design
- Fashion
- Film and Video
- Food
- Games
- Music
- Photography
- Publishing
- Technology
- Theater

Public interest in Kickstarter has increased dramatically since its 2009 introduction. Figure 1 documents a Google Trends analysis of Kickstarter along with several search terms typically associated with entrepreneurial and small business financing. We began our Google Trend analysis focusing on searches using the terms entrepreneur, small business loan, loan for business, venture capital, and Kickstarter. Google Trends tracks the search volume for the terms entered and then indexes the volume to the peak of the highest search term. In each case, we used the related searches option to identify the peak search term related to the concept and then iterated our analysis using that term. Ultimately, small business loan and venture capital were chosen as two search terms associated with capital sourcing. Entrepreneur was selected as a basic term affiliated with, but not constrained by, the search for funding.

Entrepreneur maintains roughly a constant volume of Google searches over time. In the aftermath of the 2008 recession, the search interest in the term entrepreneur spikes. However, once that spike is absorbed, search patterns stabilize around its new interest level. By comparison, venture capital search has decreased by a factor of five from 2004 to 2012. Kickstarter, by comparison, is certainly the hot story. Google searches for the term Kickstarter begin to ramp-up in 2010. Kickstarter surpassed small business loan searches in 2010, venture capital searches in 2011, and entrepreneur searches in 2012. Prior to the end of 2012, Kickstarter searches were more common than venture capital searches were in 2004!

To date, Kickstarter boasts in excess of $688 million in successful funding of almost 50,000 creative projects (Kickstarter, 2013). In 2011, it was estimated that Kickstarter provided the equivalent of 10% of all angel funding for that year (Greenwald, 2012). This is not to suggest that Kickstarter will replace venture capital, far from it. Rather, crowd funding supplements the role of venture capital and most likely also provides a funding alternative for a different type of business. Adding Kickstarter, or other crowdfunding sources, to the capitalization mix likely increases the efficiency of capital search efforts. A number of projects not suitable for venture capital can fund off of Kickstarter. Additionally, potential venture capital projects can use a successful Kickstarter promotion as a proof of concept for their business plan when approaching venture capital.

Figure 1: *Google Searches for Entrepreneur-Related Terms*




Kickstarter works off a fundable project model. Would-be project managers list their project, its details, and its funding aspiration. The funding goal establishes a base target for the project and a deadline (generally 30-days) to achieve the funding. A typical Kickstarter project displays a video from the prospective entrepreneur outlining the project, its intended benefits, and its funding needs. Additionally, the right side of the webpage lists the number of backers, the total amount of money currently pledged (and goal), and the time remaining in the Kickstarter promotion. The lower areas of the webpage detail the desired pledge levels, any exclusivity to the pledges (some have first availability options), updates on the project, and stretch goals for projects that have exceeded their initial funding targets.

The pledge levels detail the pledge dollar amount solicited, the number of spots available (if exclusive), and the number of backers who have contributed this amount. For example, one Wi-Fi brewery temperature project used an “early bird special” to stimulate pledge interest. They allowed the first ten backers at the $125 pledge level to receive the retail product. This resulted in a deep discount from the anticipated retail price of the product, providing a motivation to quickly sponsor the project. All ten early bird options sold out quickly and the project team added a higher level (and still exclusive) 100 slots at $150, which also filled. Kickstarter thus enables both capital search and marketing promotion activities.

Each Kickstarter project lists a wealth of information about the project and Kickstarter provides an abundance of statistics on funded, and unfunded, projects. Kickstarter projects generally provide above-goal targets, including additional aspirations should the funding exceed its targeted goal. Further, the Kickstarter submission typically includes a list of rewards based on the level of funding. Awards range from copies of the product, visits and tours of facilities, creative mementos, inclusions of thanks as backers, and similar recognition. Currently, all funding through Kickstarter must come in as a donation or a pre-purchase of a product/service. No equity or credit relationship is established in a Kickstarter promotion.

An example of a Kickstarter promotion is GoldieBlox (Sterling, 2012). Debbie Sterling holds a product design engineering degree from Stanford and has an innovative product to develop spatial awareness skills in young girls. Debbie has engaged in extensive product development research and product feasibility studies with researchers at Cornell. Her production sourcing efforts led her to a Chinese manufacturer capable of producing the first order, but requiring a minimum 5,000 lot purchase. As is often the case with prospective entrepreneurs, she had already sunk her life savings into the project and lacked the funds to bring the final product to market. Given her background, there is a chance she could have found angel funding for the product, but that would require sacrificing a substantial equity position. Instead, Debbie used Kickstarter, seeking the $150,000 needed to get her first production run covered.

Debbie's Kickstarter promotion exceeded her funding goal within five-days, ultimately concluding with over 3,200 backers. While many of these backers only contributed $30 to "pre-buy" the product, a number of contributors donated as much as $5,000 simply to show support for her business and its goals. Her successful Kickstarter resulted in the product listing on Amazon.com, providing a powerful distribution channel for her initial product. With her first production run covered and over half of the initial 5,000 units pre-sold, Debbie is free to use the additional funds to develop the second and third product in her GoldieBlox line. She has successfully funded her product launch, developed brand awareness and funded future product development efforts without incurring a dollar of debt or dilution of equity.

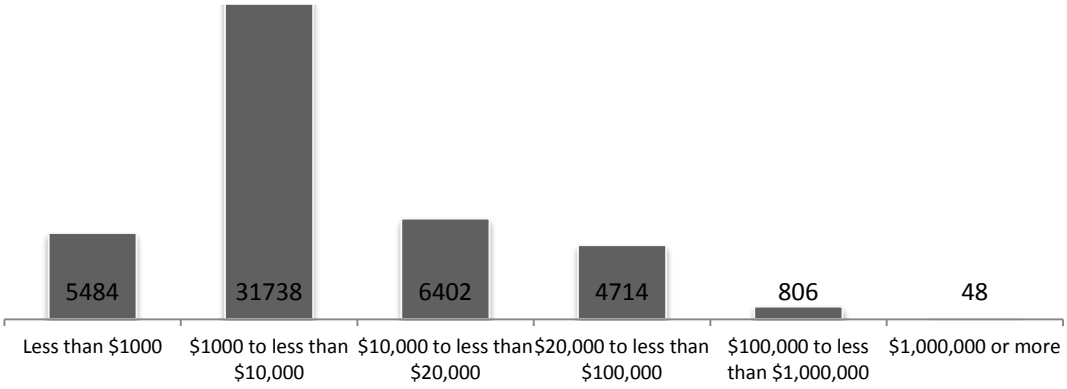
Kickstarter uses an all or nothing funding model. Pledged funds are not collected until the end of the funding period (established in the goal-setting statement). Should a project fail to meet its initial targeted goal, no financial transactions occur. However, if a project exceeds its target goals, the organizer receives all funding, including contributions in excess of its goal. In another example, on 16-Sep, 2012, the established video game developer Obsidian Entertainment posted a Kickstarter funding request. In their posting, they sought $1.1 million to fund the creation of the video game Project Eternity (Entertainment, 2012). The project achieved 90% of its funding goal within 24 hours and was fully funded within the first week. Over the remainder of its 30-day solicitation period, Obsidian Entertainment added a number of "stretch goals," incorporating additional project development efforts should further (and higher) funding levels be met. The project ultimately received nearly $4 million in funding from 73,986 backers.

Kickstarter provides a funding mechanism for both new and existing ventures, but it also provides market feasibility for future venture capital efforts. As an example, Samatha Meis leveraged her successful $9,000 funding for MistoBox into a future $75,000 funding from Mark Cuban on the television show, Shark Tank (Arizona, 2013). Returning to the GoldieBlox example, Debbie may eventually choose to pursue venture capital to grow her brand presence. Should she do so, the success of this Kickstarter funding provides a testament to the feasibility of her product and brand. It is not inconceivable that venture capital will eventually expect to see a successful Kickstarter campaign as a prerequisite to investment.

**PROJECT FUNDING INFORMATION**

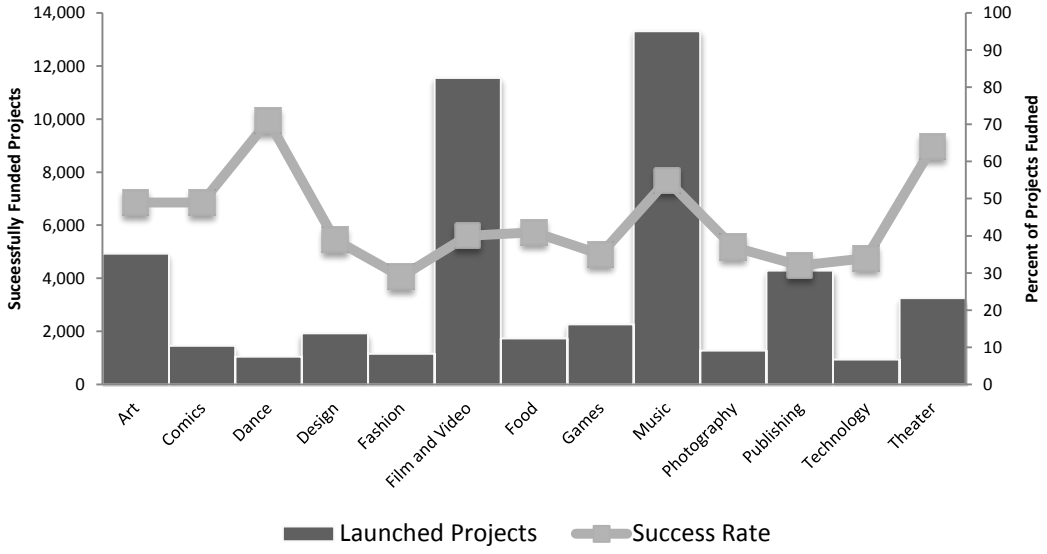
Kickstarter provides a great deal of transparency in both project information and aggregated funding details. It maintains a project stats page that is updated daily (Kickstarter, 2013). Through September 2013 Kickstarter maintained roughly a 44% successful funding rate with $688 million in funded projects. As depicted in Figure 2, the vast majority of funded projects raise less than $10,000. However, a noticeable number of projects raise in excess of $20,000 with a number of recent projects funding in excess of $1,000,000.

Figure 2: *Kickstarter, Successful Fundings*




Kickstarter also remains true to its origins, with the majority of projects coming from creative arts. Film, Video, and Music have the most successfully funded projects while Dance, Theater, and Music are the categories most likely to be funded. However, an increasing number of technology projects are finding their funding opportunities through this channel.

Figure 3 - *Kickstarter, Projects Funded by Category*




A number of video game projects have successfully raised between $100,000 and $1,000,000 with twenty-five titles bringing in over $1,000,000. Similarly, 163 technology projects have received six-digit funding with nine receiving in excess of $1,000,000. While funding's in excess of $100,000 remain rare, and $1 million funding's remain even rarer, the ability to raise substantial capital exists and appears to be growing as awareness in Kickstarter increases.

At this point, Kickstarter only funds project concepts. While it will fund start-up ventures, the funding package must be configured as a project and the funding request along with benefits must be articulated as a feasible project. Further, there are no stipulations for investment via Kickstarter. Donors may pre-purchase the project or receive donation perks, but they cannot receive a financial return on their investment. However, due to the success and popularity of Kickstarter as well as equity funding options available for small business via the Jumpstart our Business Startups (JOBS) Act (Castelluccio, 2012; Gobble, 2012), it is expected that equity crowdfunding will emerge in the near future (Waheb & Mack, 2013). Whether it reaches the levels of funding and popularity that this generation of crowdfunding enjoys remains to be seen.

While the lack of true investment sourcing is a limitation in the current Kickstarter platform, the ability to raise funds without committing to debt or equity financing may be advantageous for some firms. For a start-up with a proven business model or a small firm extending a product line offering, Kickstarter provides a way to promote the product, generate pre-sales, and potentially develop distribution channels without diluting the owners' equity or incurring debt.

However, for some firms, the pursuit of capital is also a pursuit of partnership. Experienced investors in startups are often able to provide invaluable advice and mentorship to prospective entrepreneurs. While it appears that some venture capital already searches Kickstarter for opportunities, it seems unlikely that a Kickstarter promotion will lead to solicitation for future investment. In other cases, the nature of the funding may not neatly package into a project. In such cases, Kickstarter is quite limited. In these situations, organizations like Fundable (Fundable, 2012), Fundageek (FundaGeek, 2012), Pushfunder (Pushfunder, 2012), or Rock the Post (Post, 2012) may be better options.

## IMPLICATIONS FOR EDUCATORS

Colleges and Schools of Business frequently provide an education in entrepreneurship (Honig, 2004). These programs typically blend the abstract learning associated with the traditional lecture and textbook model with a more experiential model requiring student reflection and experimentation (Pfeifer & Borozan, 2011). Kolb and Kolb (2005) note that experiential learning places an emphasis on "the process of creating knowledge," (pg. 194). They also describe the experiential learning process as a "spiral where the learner touches all the bases – experiencing, reflecting, thinking and acting" (pg. 194).

Within entrepreneurship classrooms, experiential learning projects range from field study, interviews with entrepreneurs, and the creation of a formal business plan (Mustar, 2009). Inclusion of these elements alongside traditional text and lecture models are argued to improve hands-on knowledge and help the budding entrepreneur proceed towards an eventual real start-up opportunity (Kozlinska, 2011). Elia, Margherita, Secundo and Moustaghfir (2011) observe that experiential learning improves the entrepreneur's critical thinking skills related to opportunity identification and venture design.

We believe that Kickstarter offers an array of experiential learning opportunities for entrepreneurship students. In all likelihood, the most common experiential element in entrepreneurship programs is the development of the formal business plan. Honig (2004) suggests that most AACSB schools emphasize business plan creation and encourage competition in national business plan competitions. Honig criticizes this process, observing that the ritual of the plan may be more seductive than the utility of the plan. Extending his critique to our own experiences with the plans submitted by our students, it certainly seems that some of the viable businesses our students ideate are ill-suited to traditional funding channels. To that end, realigning the business plan process to include options outside of conventional capital acquisition sources certainly has potential. Kickstarter may provide a more efficacious environment for distilling experiential learning in entrepreneurship students.

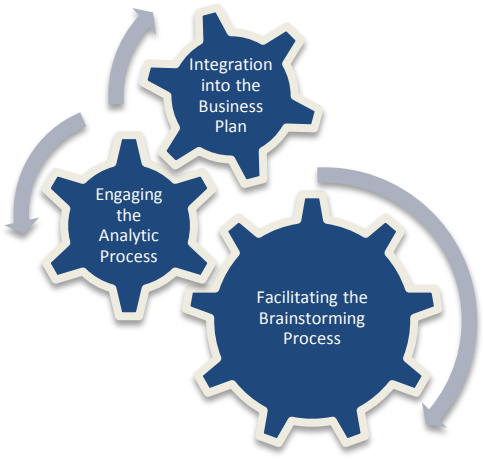
The traditional Entrepreneurship course generally involves the creation of a business plan and formal venture capital presentation. This involves the creative process of generating an idea for a venture, the analytic process of evaluating the potential of the venture, and the descriptive process of presenting the pertinent information about the venture. While the business plan is an invaluable part of the Entrepreneurship course, it is reasonable to conclude that many of the projects submitted by students are not candidates for venture capital investment.

Of course, a number of these student presentations are simply not viable ventures. In these cases, the process of the Entrepreneurship course is academic, preparing the student for a hopeful future presentation. However, a number of these student projects are viable business ventures, but still remain unsuitable for venture capital. Either the scope of the project is too small, or the potential returns too low to attract formal VC backing. Yet these projects could lead to viable firms if a different source of capital were available.

Kickstarter offers a strong possibility for these types of businesses. Contributors to a Kickstarter project are only interested in the project itself and, possibly, the rewards offered by the business venture. Additionally, a successful Kickstarter presentation can generate early sales and even distribution opportunities for the project team. Ultimately, a successful Kickstarter promotion can be leveraged as proof of concept and market feasibility in subsequent capital search efforts.

It is for these reasons that we argue that a Kickstarter (or similar crowdfunding) plan be integrated into the business plan element of the Entrepreneurship course. Additionally, Kickstarter can be a useful tool facilitating the creative and analytic elements of the Entrepreneurship course. As shown in Figure 4, we suggest a three step integration of Kickstarter into an Entrepreneurship course preparation.

Figure 4: *A Three-Stage Model for Kickstarter Integration*




**STAGE 1: FACILITATING THE BRAINSTORMING PROCESS**

Elia and colleagues (2011) call for use of experiential processes to facilitate creative idea generation while O'Conner and Greene (2012) observe the importance of developing awareness of the entrepreneurship option. Kickstarter offers an opportunity to assist students in the idea generation and recognition process. Students should be introduced to Kickstarter in one of the initial meetings of the Entrepreneurship course. The instructor should review its history, its interface, and the statistics of funding for Kickstarter. From here, the students should be tasked with exploring Kickstarter for projects currently seeking funding. The first element of the Kickstarter integration involves the student identifying and then presenting a Kickstarter project they find interesting.

Students should then present their findings to the class in one of the initial class meetings. The presentation should cover the product, promotion, funding sought, and the current status of the funding search. This should lead to a relatively diverse number of presentations, helping stimulate the creative processes typically needed in the early parts of an Entrepreneurship course.

**STAGE 2: ENGAGING THE ANALYTIC PROCESS**

Pfeifer and Borozan (2009) call for increased reflective observation while Honig (2004) argues for increased awareness of contingency opportunities. Once again, access to past and present Kickstarter projects affords the entrepreneurial student an abundance of projects to analyze and compare. Students should be tasked to evaluate a pair (or multiple pairs) of Kickstarter projects, one failed and one successful. The projects should be from the same category and of a similar size. Students should engage in a compare and contrast analysis of the two plans. What were the strengths and weaknesses of each plan? What activities in the project and its promotion differ between the successful and failed plans? Based on their comparison, what emerges as a set of best practices and activities to avoid?

Students should present these findings to their classmates. Additionally, the instructor should guide the students in a meta discussion of the failed and successful plans. The class should then be able to identify common best (and worst) practices as well as one-off elements that may have been contextual to single plans. Kickstarter's own data provides some indication of what students will likely find. Kickstarter advises care in creating awards, care in selecting realistic dollar funding (as well as the ability to document the need for and benefit of the funding level), and awareness of the need to actively promote the project funding. Instructors of Entrepreneurship and Small Business Management courses should readily find parallels between this and best practices in preparation of successful capital searches. Kickstarter, in this sense, becomes a living model, providing visible demonstration of the elements we are already teaching.

**STAGE 3: INTEGRATION INTO THE BUSINESS PLAN**

It is our recommendation that a Kickstarter (or other crowdfunding) pitch be integrated into the traditional business plan. Students should develop and present their Kickstarter promotion, either to the class or as a written element of their final business plan. This submission should include all elements needed in launching a Kickstarter funding search. Students should generate the funding goal and timeline. They should clearly identify the rewards offered as well as their targeted goals if their funding exceeds its targeted amounts. They should provide a clear plan for promoting their Kickstarter project. Finally, they should demonstrate how the Kickstarter plan ties back in to their business plan itself. If the purpose of the Kickstarter plan involves developing distribution channels, that should be discussed in their submission.

Creating a successful Kickstarter promotion depends, ultimately, on having a viable business model as well as the planning for and implementation of a successful messaging campaign regarding the venture's needs and benefits. These are already elements of a superior business plan. Kickstarter provides an alternative medium for the accumulation of capital. Given that a successful Kickstarter funding generates a capital infusion without diluting equity or accumulating debt, Kickstarter may even be a superior funding opportunity for some business plans.

## DISCUSSION

Ultimately, the crowdfunding movement adds a new element to the typical capital search. In the current medium, this entails the pre-selling of products and benefits, but once the JOBS Act is fully implemented, crowdfunding may also open the door for more traditional capital sourcing. For instructors, students and researchers of small business and entrepreneurship, the crowd sourcing movement is an unprecedented boon.

An array of opportunities manifests themselves for researchers and educators, both with Kickstarter and the crowdfunding movement. Small business researchers and educators suffer from a dearth of data, something largely overturned by the transparency of Kickstarter. A simple perusal of the projects, both current and past, evidences the hopes and dreams of thousands of small businesses. Some of these are existing ventures expanding their business lines, others are hopeful startups. The detail of the projects and organizations, along with the success and failure of the project fundings provides a wealth of information and access to small businesses. While there are a number of research directions available, two seem more obvious and urgent.

The first research question addresses a question of interest both to Kickstarter and to the various organizations posting projects; what really works? Just in the brief perusal of data depicted earlier in this paper, some project categories are more likely to succeed than others. Additionally, certainly smaller fundings seem more likely to make than larger fundings. However, within each category of projects and within each funding bracket, there are likely clear distinctions between the projects that fund and those that do not.

A cottage industry is already springing up offering advice on how to achieve better success with your Kickstarter promotions (Curtis, 2012). Kickstarter itself engages in regular data mining and provides a set of best practices. The emerging consultant industry is largely based on anecdotal evidence; promoting the hope that what worked once will work again. Kickstarter has a more data driven best practice model, but its advice tends to be fairly broad.

Researchers should tackle the question of what works. Examination of projects, the promotion of the projects, the packaging of rewards, and the experience of the company and its founders are likely to provide insights into the optimal Kickstarter promotion.

We know, for instance, that certain businesses are less prone to failure than others. We know that inadequate funding plagues small business and leads to failure. Does Kickstarter provide a preferable alternative to traditional funding, is it simply an alternative funding model, or are there hidden weaknesses in the Kickstarter funding model? Currently, the large number of projects submitted for funding speaks to the demand for capital and the reachability of Kickstarter. Are the projects being funded better, worse, or relatively similar to the projects that would have funded in a world without Kickstarter?

As a concluding thought, crowdfunding, as evidenced by Kickstarter, provides a vehicle for funding previously unavailable. While that contribution alone is intriguing, the emergence of a platform with this level of transparency and access is unprecedented. While it seems obvious that this benefits entrepreneurs, researchers and educators, its benefits likely go beyond these obvious points. Clearly a large number of backers are willingly engaging in the funding of these ventures, why do they participate and how often do they participate? Gaining an understanding of these motivations and perceived benefits might offer insights towards future development of crowd based participation.

Small business pervades our lives and entrepreneurship inspires us, yet access to small business (and particularly entrepreneurs) remains one of the major difficulties in small business research. As researchers, this complicates the generalizability of our findings. We often find ourselves facing mortality problems. It is hard enough gaining information on firms that started and failed, it is nearly impossible to conduct wide-ranging research on firms that failed to start. Having access to widely used and highly transparent platforms should prove beneficial on multiple fronts. In this paper we have introduced the Kickstarter platform, indicated its prior successes and offered ideas for the integration of crowdfunding into traditional entrepreneurship preparation. This is an emergent phenomenon and we have likely only seen the prologue.

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