

**Audience Engagement and Monetisation of Creative
Content in Digital Environments**

A creative SME Perspective

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Abstract

Creative SMEs face a number of limitations that can hamper their ability to develop and establish original content in digital environments. These limitations include a lack of resources, struggles for visibility, limits of engagement, audience pressures and free culture. The constant pressures from growing competition and fragmented audiences across digital environments amplify these limitations, which means SMEs can struggle in these highly competitive, information rich platforms. Research sought to explore how creative SMEs may circumvent these limitations to strengthen their positioning in digital environments.

Two areas of focus are proposed to address these issues; firstly a study and development of audience engagement, and secondly an analysis of the monetisation options available for digital content and their links to engagement. With a focus on audience engagement the theoretical grounding of this work is based within the engagement literature. Through this work a new *Dynamic Shaping of Engagement* is developed and used as a foundation of analysis, which informs the development of practical work in this study.

Findings present insight into the methods and practices that can help creative SMEs circumvent their limitations and strengthen their positioning within digital environments. However, the findings continue to emphasise the difficulties faced by creative SMEs. These companies are hampered by paradoxes that arise due to their resource limitations that limit their ability to gain finances, develop audiences and produce content. It is shown that those with the ‘key’ to audience attention are the ones best positioned to succeed in these environments, often at the expense of the original content creators themselves. Therefore, visions of a democratic environment, which levels the playing field for SMEs to compete, are diminished and it is argued digital environments may act to amplify the positioning of established media.

Therefore, greater support is required to aid these companies, which must look beyond short-term solutions that focus on one-off projects, towards broader, more long-term support. This support can then enhance creative SMEs ability to not only deliver, but also establish and potentially monetise content in digital environments, which in turn can make continued production more sustainable.

Table of Contents

<u>COPYRIGHT STATEMENT</u>	<u>2</u>
<u>ACKNOWLEDGEMENTS</u>	<u>3</u>
<u>ABSTRACT</u>	<u>4</u>
<u>TABLE OF CONTENTS</u>	<u>5</u>
<u>ACRONYMS / ABBREVIATIONS</u>	<u>9</u>
<u>LIST OF FIGURES</u>	<u>11</u>
<u>1. INTRODUCTION</u>	<u>13</u>
RESEARCH DEVELOPMENT	13
PROBLEM AREA	16
WÖNKY FILMS	21
<u>2. THEORETICAL BACKGROUND</u>	<u>24</u>
OVERVIEW	24
A SHIFT IN BEHAVIOUR	24
RELATIONSHIP MARKETING	25
COMMUNITY	28
VALUE	32
USES AND GRATIFICATIONS	34
ENGAGEMENT	36
MONETISATION	50
MONETISATION AND ENGAGEMENT	56
SUMMARY	63
<u>3. METHODOLOGY</u>	<u>65</u>
RESEARCH OBJECTIVES	65
RESEARCH METHODOLOGIES	65
OVERVIEW OF PROJECTS	70
PRACTICAL PROJECTS	70
PRACTICAL PROJECT METHODS	72
CRITICAL REFLECTION	75

RESEARCH STUDIES	76
LIMITATIONS	82
STATEMENT OF CONTRIBUTION	83
FINDINGS OVERVIEW	84
<u>4. INDUSTRY CULTURE AND SME LIMITATIONS</u>	<u>86</u>
EVIDENCE FROM THE COMPANY	86
SUMMARY	97
<u>5. AUDIENCES AND ENGAGEMENT</u>	<u>98</u>
THE ENGAGEMENT PARADOX	98
CONTENT CURATION	101
AUDIENCE FOUNDATIONS AND SOCIAL MEDIA	110
USER GENERATED CONTENT	117
PARTNERSHIPS	127
CROWDED AND COMPETITIVE ENVIRONMENTS	131
<u>6. MONETISATION</u>	<u>141</u>
OVERVIEW	141
CROWDFUNDING	142
PAY WHAT YOU WANT AND WILLINGNESS TO PAY	149
ADVERTISING	157
MONETISATION LIMITS	160
<u>7. CONCLUDING DISCUSSION</u>	<u>163</u>
SUMMARY	163
IMPLICATIONS	174
FUTURE RESEARCH	175
<u>REFERENCES</u>	<u>176</u>
<u>THESIS PORTFOLIO</u>	<u>200</u>
<u>INTRODUCTION</u>	<u>201</u>
PROJECT OVERVIEW	201
TIMELINE OF RESEARCH ACTIVITIES	214

<u>A. LAUGH YOUR HEAD OFF</u>	<u>218</u>
OVERVIEW	218
PROJECT DEVELOPMENT	220
PROJECT REVIEW	221
CONCLUSIONS	231
REFERENCES	232
<u>B. ILAND</u>	<u>234</u>
ILAND DEVELOPMENT	236
ILAND PROJECT ABANDONMENT	237
<u>C. SHORT FILM DIGITAL DELIVERY</u>	<u>239</u>
CONTEXTUAL INSIGHT	241
SHORT FILM PRODUCTION	246
ONLINE DELIVERY	265
PYWY ATTEMPTS	272
CONCLUSION	275
REFERENCES	277
<u>D. ACE DISCOVERY</u>	<u>281</u>
PROJECT CONTEXT	283
LEX/DEX CONTENT APPROACH	284
ACE DISCOVERY DELIVERY	297
CROWDFUNDING	304
CONCLUSIONS	305
REFERENCES	307
<u>E. SHOW ME THE ANIMATION</u>	<u>310</u>
OVERVIEW	310
ONLINE DEVELOPMENT	312
ENGAGEMENT	316
SOCIAL MEDIA	327
MONETISATION	334
IOS APP	336
VALUE FOR WONKY	347
CONCLUSIONS	350

REFERENCES	351
<u>F. SUCCESS IN THE MANAGEMENT OF CROWDFUNDING PROJECTS IN THE CREATIVE INDUSTRIES</u>	360
ABSTRACT	360
INTRODUCTION	361
METHODS AND DATA ANALYSIS	367
NETWORK MANAGEMENT	371
CAMPAIGN MANAGEMENT	372
CONCLUSION AND RECOMMENDATIONS	378
REFERENCES	382
<u>G. ENGAGEMENT AND WILLINGNESS TO PAY FOR SHORT FORM ANIMATION CONTENT ONLINE</u>	399
ABSTRACT	399
INTRODUCTION	400
THEORETICAL BACKGROUND	401
METHODOLOGY	407
RESULTS	409
DISCUSSION	417
CONCLUSIONS	422
APPENDIX	425
REFERENCES	426
<u>H. SOCIAL MEDIA USAGE AMONG CREATIVE SMES AND INDIVIDUAL CREATIVES</u>	431
ABSTRACT	431
<u>I. CONTEXT FROM THE WIDER ANIMATION INDUSTRY: INTERVIEW STUDY</u>	432
ABSTRACT	432

Acronyms / Abbreviations

2D	Two-Dimensional
3D	Three-Dimensional
AR	Action Research
ARF	Advertising Research Foundation
AS3	ActionScript 3.0
BAFTA	British Academy of Film and Television Arts
BBC	British Broadcasting Corporation
CBBC	Children's British Broadcasting Corporation
CDE	Centre for Digital Entertainment
CPM	Cost Per Thousand Impressions
CSS	Cascading Style Sheets
DE	Deep Engagement
DEB	Deep Engagement Behaviour
DEX	Deep Engagement Experience
DNS	Direct Network Size
eCPM	Effective Cost Per Thousand Impressions
GDP	Gross Domestic Product
GIF	Graphics Interchange Format
GMT	Greenwich Mean Time
GO	Gratifications Obtained
GS	Gratifications Sought
GV	Geographic Vulnerability

HTML	HyperText Markup Language
IP	Intellectual Property
LE	Light Engagement
LEB	Light Engagement Behaviour
LEX	Light Engagement Experience
LYHO	Laugh Your Head Off
NABC	Needs Approach Benefits Competition
PHP	PHP: Hypertext Preprocessor
PLR	Practice-Led Research
ProfD	Professional Doctorate
PWYW	Pay What You Want
RM	Relationship Marketing
RPM	Revenue Per Thousand Impressions
SDL	Service Dominant Logic
SM	Social Media
SME	Small to Medium Sized Enterprise
SMTA	Show Me The Animation
U&G	Uses and Gratifications
UGC	User Generated Content
VCO _n E	Vicious Circle of (non) Engagement
VFX	Visual Effects
WDTCC _{TR}	Why Did The Chicken Cross The Road
WOM	Word of Mouth

List of Figures

Figure 1: Dynamic Process of Engagement	39
Figure 2: A Process of Engagement	45
Figure 3: Engagement Stacking Process	49
Figure 4: Strengths and weaknesses of Monetisation Models	58
Figure 5: Links between Engagement & Monetisation	59
Figure 6: Professional Doctorate Hybrid (Adapted from Lee et al. 2000, p127)	66
Figure 7: Action-Reflection cycle (McNiff and Whitehead 2011, p9)	68
Figure 9: Analytical Data Sources	75
Figure 10: Amount allocated to SM	96
Figure 11: <i>SMTA</i> vs. WÖNKY Audience Comparison	103
Figure 12: 'Student Showcase' post shared by original creator on Facebook	104
Figure 13: Enso Student Showcase Facebook post comparison.	105
Figure 14: <i>Writers' Block</i> Top URL Embeds	107
Figure 15: <i>Writers' Block</i> and <i>Nether Regions</i> Pre/Post 'Staff Pick' Views	107
Figure 16: <i>Writers' Block</i> on Future Shorts YouTube	109
Figure 17: <i>Writers' Block</i> on Future Shorts Facebook Page	109
Figure 18: WÖNKY SM growth.	110
Figure 19: Cartoon Hangover Audience	111
Figure 20: <i>Writers' Block</i> background artist aiding online promotion	112
Figure 21: <i>SMTA</i> percentage of active Twitter followers per hour (GMT)	114
Figure 22: <i>SMTA</i> number of Facebook fans active per hour (GMT)	114
Figure 23: <i>SMTA</i> Pick of the Day Facebook Post Engagement	116
Figure 24: <i>Ace Discovery</i> costume challenge call to action	118
Figure 25: <i>Ace Discovery</i> costume challenge voting call to action	120
Figure 26: <i>Ace Discovery</i> GIF competition call to action.	120
Figure 27: <i>SMTA</i> online platform increase during <i>AniJam</i> activity	122
Figure 28: <i>SMTA</i> online platform increase during <i>Do It In Ten</i> activity	125
Figure 29: <i>Ace Discovery</i> on Cartoon Hangover YouTube	129
Figure 30: <i>Ace Discovery</i> Facebook Post Insights	130
Figure 31: Viewing Figure Comparison of WÖNKY created content	132
Figure 32: App review Costs offered by an App Marketing Service	133
Figure 33: <i>The Nether Regions</i> App paid promotion.	134
Figure 34: <i>SMTA</i> App paid promotion	134
Figure 35: WÖNKY short film Apps and <i>SMTA</i> App first month downloads.	135
Figure 36: <i>SMTA</i> downloads per day during paid promotional period	136
Figure 37: WÖNKY Short Film Apps and <i>Easter Eggstravaganza</i> first month downloads	138
Figure 38: Total Download Figures for WÖNKY Short Film Apps and <i>SMTA</i> App	139

Figure 39: Crowdfunding Campaign Target Goal vs. DNS comparison	145
Figure 40: <i>Writers' Block</i> on Vimeo with TipJar activated	153
Figure 41: Fuel this Film option on <i>LYHO</i> website	153
Figure 42: <i>The Nether Regions</i> App PWYW options	154
Figure 43: <i>Writers' Block</i> on Short of The Week - Lack of Tip Jar Visibility	156
Figure 44: <i>Writers' Block</i> on 'Vimeo Staff Picks' - Lack of Tip Jar Visibility	156

1. Introduction

This industry-based research considers the limitations faced by small creative companies in producing their own original content in highly competitive digital environments. Specifically, this research focused on the work of a small animation studio WÖNKY Films where the study was carried out. Research has been developed through **five** practical projects and **four** research projects that together capture the range issues faced by small to medium sized enterprises (SMEs) in digital environments including: (1) a lack of resources, (2) struggles for visibility, (3) limits of engagement, (4) audience pressures and (5) issues relating to ‘free’ culture. Through the direct experience of the practical projects and evidence drawn from the research studies, insight is presented into the methods and practices that may allow these problems to be circumvented, with a particular focus on engagement and monetisation.

This chapter begins with an introduction into the process of developing this research, which addresses the relationship between theory and practice, and the process of critical reflection that is central to the development of this work. Next, a contextual background of the creative industries is provided, highlighting the problem area of this research and why it should be addressed. The chapter ends with an introduction to the host company WÖNKY Films, with details on the company size, scope, aims and issues.

Research Development

The development of this thesis has occurred as a process of critical reflection on the practice carried out whilst being embedded in the host company WÖNKY Films. Specifically, this thesis reflects upon five key practical projects undertaken at the company. These practical projects are accompanied by four research studies, which have been used to further analyse insights emerging from the practical projects.

To address the dual nature of this research, this thesis is presented in two volumes. The first is this main thesis document (p1-199), which brings together the findings from the entire body of work carried out during this research. It is through this main thesis that the contributions of the individual projects align to address the research objects that are set out in the methodology (p65-85) and provide an original

contribution to knowledge. The second volume is a portfolio of the practical and research projects that contribute to this work (p200-432). This portfolio contextualises and articulates the themes arising in each project in greater detail. A Digital Appendix accompanies this portfolio and provides further supplementary material relating to the development of each project.

A process of critical reflection has been used to describe and understand what happened in practice, why it happened, and what factors contributed to what happened. By reflecting on what has happened this research develops new knowledge and insight that contributes towards the development of both theory and practice. This interpretation of experience and new knowledge is then used to inform future practice (Mezirow 1990; Mäkelä 2007; Sinner et al. 2006; Stock 2011). Therefore, this critical reflection has been carried out as an iterative process with theory informing practice and visa-versa, meaning the development of theory and practice in this work has continuously evolved as research has progressed.

Within this work the critical reflection specifically led to new insight into the methods and practices (crowdfunding p142 & p360; curation p101 & p312; social media p95, p110 & p426) that can contribute towards strengthening SMEs positioning in digital environments. A timeline of research activities (p214) illustrates how these projects evolved throughout this research, with practical projects built on previous reflection, and research projects emerging from the research questions this reflection raised. Whilst this research provides knowledge of the methods and practices that may aid SMEs, the experiences encountered in this work question the effectiveness of these practices and their long-term ability to aid SMEs in highly competitive environments. In this way reflection moves from the local, emic experience of the researcher and other actors, to etic perspectives relating to industry structures and practices that shape the success of creative SMEs.

The direct experience of delivering these projects and evaluating the methods and practices involved, has informed the development of theory as a framework of analysis. This contributes what is termed here as a *Dynamic Shaping of Engagement*. This conceptual model for understanding engagement has been continuously developed throughout this research; revised and enhanced as new experiences are encountered and new insight is gathered. The *Dynamic Shaping of Engagement*

defines engagement as a consumer's ongoing relationship with producer that ebbs and flows over time. This variable nature leads to the notions of *light and deep engagement* (LE/DE), which conceptualise the individual differences among consumers.

The development of this *Dynamic Shaping of Engagement* originally stemmed from the analysis of *Laugh Your Head Off* (Portfolio A, p218), the first project of this work. This analysis included a review of the extant literature on engagement, with the notions of LE/DE arising as a way to interpret what happened in practice. As subsequent practical projects have been carried, LE and DE have evolved to include *light and deep engagement experiences* (LEX/DEX) and *light and deep engagement behaviours* (LEB/DEB) in this model of engagement. These additions occur as alone, LE/DE fails to capture the consumer's entire relationship with a producer, or address their subsequent behavioural actions. Thus, LEX/DEX capture the multiple experiences a consumer may have, which lead LE/DE evaluations and subsequent LEB/DEB behavioural actions. This *Dynamic Shaping of Engagement* is further outlined through the theoretical background (p24-64), and demonstrated in practice through the discussion of the research findings (see Chapters 4 – 6).

Throughout, this evolving understanding of practice and development of theory has been used to guide the direction of practical projects, as well as giving rise to the research studies. Together these understandings lead to new interpretations of digital environments, which challenge positive perceptions of these environments in being able to create a level playing field for SMEs to compete. Instead this thesis develops a critical positioning towards digital environments, which are found to be highly variable and do not lend themselves to effective original content production for creative SMEs.

Also, due to the consistency of content delivery required in these environments, they have a tendency to encourage the development of light, sometimes-superficial artefacts, instead of deep meaningful engagement. Larger enterprises and those who *curate* rather than *create* content seem better positioned to benefit from these environments. Thus rather than providing a more democratic playing field, digital environments are found to amplify the rich-get-richer dynamics of traditional media.

Problem Area

The following section further outlines the context of this research, providing an overview of the animation industry and its context in the wider creative industries. This is followed by an overview of digital environments; the context of delivery for projects in this research. Throughout this section the challenges that face creative SMEs in being able to deliver original content in digital environments are introduced.

Industry Context

The UK service sector is a dominant component of the UK economy (Economy Watch 2013) accounting for more than three quarters of UK GDP (Cadman 2014). Part of the service sector is the creative industries, which is worth £71.4 billion a year to the economy (Department for Culture, Media & Sport 2014). The industry is seen as a key sector for growth because of its existing foundation of excellence, the global status of the English language, and high export potential of content produced (CBI 2014b; Bakhshi et al. 2013). Key to the growth in the creative industries is the creation of original IP (Skillset 2012) with prospects further enhanced by the expansion of digital platforms that “*access new e-commerce markets and meet consumer demand for content*” (CBI 2014a).

Within the creative industries lies the animation industry, which itself is relatively small, employing approximately 4,700 people and generating around £300 million. However, its full economic impact is much greater due to its influence in all areas of the creative industries including VFX, television and games (Kenny and Broughton 2011).

Kenny and Broughton (2011) argue the animation industry is a perfect fit for the UK’s growth ambitions for a number of reasons. Firstly, it is starting from a position of strength, producing internationally recognised and established series including ‘Postman Pat’; alongside a strong short film scene that has had Oscar recognition with the likes of ‘Wallace and Gromit’. Secondly, the opportunity to become a world leader, with the UK established in industries that animation influences such as games (e.g. Rock Star - Grand Theft Auto). Thirdly, global growth opportunities for animation led by its use in a variety of mediums, and the emergence of new technologies. This has increased broadcast opportunities (e.g. on demand services such as Netflix funding original content), and opportunities to self-distribute content,

or increase service offerings in digital markets. Finally animation is argued to lend itself well to IP exploitation allowing a property to recoup many times its budget through retail markets such as toys, books, DVDs and games. For example the UK produced Peppa Pig Franchise generates 150 times its original production budget in retail revenues each year (Kenny and Broughton 2011).

However, despite these opportunities for growth, companies within the creative industries face challenges that can limit their ability to create original IP and access new digital markets. These include a lack of resource support, loss of content control and lack of revenue in digital environments, and increasing competition (CBI 2014b). The creative industries are also criticised for lacking any formally defined financial or strategic goals (Holden 2007) or the management skills to adequately carry them out (Nesta 2007).

These issues may stem from the dominance of SMEs and freelancers that characterise the creative industry landscape with 84% of creative companies in the UK employing fewer than 10 people (Skillset 2012). This is mirrored in the animation industry, with the majority of animation companies also employing fewer than 10 people (Leadbeater and Oakley 2001; Kenny and Broughton 2011), with a reliance on freelance workers and short-term contracts (Animate Projects 2013).

This leaves animation companies susceptible to the characteristics of SMEs who are recognised as being resource poor in comparison to larger enterprises (Welsh and White 1982; Boyles 2011). Smaller companies are often clustered in fragmented industries, face high rates of competition, have reduced access to knowledge and financial resources, and have a short-term management focus, which all account for SMEs being more susceptible to external changes such as economic downturns and changes to government legislations (Welsh and White 1982; Boyles 2011). Reduced resources combined with a lack of content precedence (evidence of an existing portfolio of work, goods, or content) then hamper SMEs chances when seeking support from capital providers (Buysere et al. 2012; Manolova et al. 2013).

For creative firms a lack of support can prevent them from fulfilling their creative potential and hamper their ability to bring original IP to market (Skillset 2012; Kenny and Broughton 2011). These claims have been recognised in reports into the UK animation industry, which argues more support is needed to help

develop the industry that makes a vital contribution to the creative industries (Animate Projects 2013; Kenny and Broughton 2011). A recent study by the non-profit animation support network Animate Projects (2013) found a lack of funding to help people develop independent creative projects was a substantial barrier to development.

Funding specifically for animation is argued to have reduced in recent years with reductions in commissioner spending (Kenny and Broughton 2011; Animate Projects 2013), which is partly due to the greater attractiveness of live-action content (Leadbeater and Oakley 2001; Kenny and Broughton 2011). This means it can prove difficult to finance large-scale productions. Those that do are required to give up the majority of equity and loose control of IP to broadcasters, distributors and co-production companies in return for the required support (Leadbeater and Oakley 2001, Kenny and Broughton 2011). The process for securing finance is also costly and time consuming, taking anywhere from two to five years (Kenny and Broughton 2011). Even the commercial success Peppa Pig was close to failure after being unable to secure commercial funding (Kenny and Broughton 2011).

Funding is not just difficult to source for large projects, but also smaller projects such as animated short films. In the Animate Projects (2013) survey¹ 86% of respondents stated that they self-funded their independent work, with few receiving support from external commissions. While some UK animators have gained international recognition through short films it is done so in a less than desirable manner. For example, a lack of resource support puts the pressure on smaller studios to chase work-for-hire projects, which lack long-term value in terms of exploitable rights (Kenny and Broughton 2011), and only provide modest budgets (Leadbeater and Oakley 2001). The overriding importance of commercial demands (e.g. business overheads) can then limit the attention placed on a companies internal desires (Powell and Ennis 2007), such as the development of original content. Therefore production can be a stop start process, drawn out over long periods when time and economic circumstances allow (Animate Projects 2013).

¹ Online survey questionnaire, receiving 324 responses

Digital Environment Context

The rapid growth of digital technologies and software advancements further intensify these issues. The reduced costs of production combined with a proliferation of tools designed to allow anyone to publish and self distribute content has made it easier for anyone to create, curate and share content (Harrison and Barthel 2009; Jenkins et. al. 2013). However, this means SMEs are facing a growing field of competition consisting of not just other companies, both large and small, but also individuals both professional and amateur. Keen (2008) describes this changing landscape as “*Digital Darwinism, the survival of the loudest and the most opinionated*” (2008, p16); a digital survival of the fittest, where those with the greatest resources and drive to be heard find success. For example promoted services on content platforms (e.g. YouTube) mean that those with expendable resources can increase the visibility of their content and distort their appearance of success.

Greater competition also means consumers face an increase of information but have no increase in spare time for search or consumption. This has led to what has been termed ‘information pollution’ (Nielsen 2003), which refers to the abundant streams of information that distract attention and command consumers cognitive functions as they seek relevant information. Continuing technological advancements only increase these problems due to the greater access to, and ease of producing and sharing content. For example 1,000 Apps are submitted to the iTunes App store each month (Pocket Gamer 2014), 100 hours of video are uploaded YouTube every minute (YouTube 2014) and 43.7 million new blog posts are produced by WordPress users each month (WordPress 2014).

Presented with this wealth of information consumers must create strategies that enable them to allocate their attention efficiently. Anderson in his article *The Long Tail* (2004) proposed that the vast array of content available to consumers in the digital environment allows access to a richer array of content and escape what is described as the “*tyranny of lowest-common-denominator fare*” (Anderson 2004, para. 8). Therefore, enabling consumer attention to spread down from mass appeal hits towards more obscure niche titles.

However, it has been found rather than consuming from a wide variety of sources, consumers prefer instead to limit themselves to areas of niche interest

(Eikermann et al 2007). In addition, Eli Pariser (2012) argues algorithms used by websites such as Google and Facebook may cause consumers to remain in these niche areas, with personalisation mechanisms providing content that conforms to our previous preferences. Social drivers and a desire not to miss out can also influence consumption (Elberse 2008; Gambetti & Graffigna 2010; Jenkins et, al. 2013). As does a lack of information, making consumers more susceptible to the recommendation of others (Dewan and Ramaprasad 2012), even if this is not the most rational choice (Russ 2007).

This leads to few objects becoming very popular whilst the rest attract only a handful of attention. (Chu and Kim 2011; Figueiredo et al. 2014). For example 10% of the most popular videos on YouTube account for 80% of the views (Cha et, al. 2007), while research into Google Play and the iTunes App store finds the majority of Apps fail to achieve more than 1,000 downloads (Canalys 2012). Thus the ability to enter channels of distribution with greater ease is not matched with greater ease in finding an audience.

Therefore, the long-tailed effect (Anderson 2004) that suggests attention can be spread away from mass hits to niche content in digital environments may not be as strong as first purported. Elberse (2008) in an exploration of the Long Tail finds that digital distribution amplifies the effects of mass hits, and argues it is heavy consumers who venture down the long tail, while light consumers stick to popular hits. This is due to the greater awareness of hits, which can be linked back to the limited time to search the increasing wealth of content, and social influences of consumption. Thus despite claims that the long tail will lead to greater diversity of consumption, digital environments instead add to a rich get richer phenomenon.

“independent artists have actually lost share among the more popular titles to superstar artists on the major labels [...] Thus digital channels may be further strengthening the position of a select group of winners” (Elberse 2008, p4)

The plethora of options available also means digital consumers desire content on demand (Harden and Hayman 2009) and are quick to seek alternatives if their needs are not met (Calder and Malthouse 2008). These constant pressures mean creative SMEs can find the ability to engage and retain audiences difficult. Therefore, the

problems discussed in relation to the digital environment (increased competition, information overload, and audience pressures), combined with the characteristics of SMEs (high competition, lack of resources, and ever-present commercial demands) present limitations that SMEs might struggle to circumvent when seeking to take advantage of digital platforms.

WÖNKY Films

Overview

To provide further insight into the type of creative SMEs this study deals with, an overview of WÖNKY Films, the host company of this research, is presented next.

WÖNKY are an award winning² animation studio founded in 2006. WÖNKY create content for a variety of media including television, the Internet, mobiles and games, working for clients including BBC, British Council, and UNICEF.

Until January 2014 WÖNKY Films had two full time employees, which has since risen to four. This classes WÖNKY as a micro company under the European Commission's definition of SMEs (European Commission 2014). Alongside the companies full time employees WÖNKY operates as a creative collective consisting of freelance illustrators, animators, musicians and writers. Working in this way means WÖNKY can be more flexible, and are able to release freelancers during quiet periods (Brophy 2013). The model of utilising freelance workers, as discussed is characteristic of the creative industries (Skillset 2012; Animate Projects 2013), providing flexibility in a highly competitive industry where jobs vary in size and scale. For example, television idents and online informational films can often be carried out by teams of four or five, but the company also has the ability to scale up to 10-15, as was the case with production on a CBBC series³. This diversity also extends to the range of content that WÖNKY produces, being able to offer animation in 3D, 2D and stop-motion, as well as being able to offer illustration services for visual identity projects and interactive services for digital projects.

² Previous awards include "Shooting People Comedy Award" for the Short Film "You Must Be Joking" and a Royal Television Society West of England Award for Titles Promos and Branding.

³ See: <http://wonkyfilms.com/portfolio/ministry-of-curious-stuff/>

WÖNKYs Aims

The majority of work produced by WÖNKY is for commercial clients, but each year WÖNKY seeks to develop their own original IP projects. These projects allow the company to work on projects with more creative freedom; showcase different animation styles and tell stories they are passionate about. WÖNKY's in-house work includes short films as well as more ambitious projects, like children's animation series development. These projects are financed by the re-investment of revenue from commercial projects and funding opportunities through organisations such as Nesta and Creative England.

Whilst WÖNKY's strengths lie in animation, they are also keen to grow the digital side of the business to make use of increasing opportunities in these areas, where animation skills are argued to lend themselves to digital content (Kenny & Broughton 2011). In this area WÖNKY have invested in the development of a multi-platform children's series, created online games, and produced films driven by global positioning systems that altered the narrative based on the users location.

Therefore, a function of this research is to build upon WÖNKY's prior experience in producing digital work and develop new opportunities to engage audiences and revenue streams in digital environments. However, as expressed earlier the characteristics of SMEs and difficulties faced in digital environments issues can limit this development, thus, research will investigate these issues as they are encountered in practice.

Issues relating to this arrangement

Although working as a creative collective enables WÖNKY to adapt to a diverse range of projects, it can also create a number of problems. The first is availability, where a preferred creative from WÖNKYs collective may be unavailable, or a job may return for a second or third series, but those who originally worked on the job may now be unavailable. This can slow down production as WÖNKY seeks suitable replacement freelancers and builds new working relationships. This scaling is particularly difficult if local animation companies have significantly increased their longer-term productions enabled by recent tax breaks, which reduces the supply of freelancers. The second problem is the potential effect on the consistency of

WÖNKY's values⁴, which can become difficult to instil due to the frequency of employee change.

Control over IP can also present a problem for WÖNKY due to the company's small size. As such, collaborative relationships are often sought to aid development. However, these collaborations mean releasing rights and thus control of IP (Leadbeater & Oakley 2001; Kenny & Broughton 2011).

Whilst the commercial work undertaken by WÖNKY offer challenging and enjoyable projects there remains the desire to develop in-house projects. These projects fulfil the creative passions of those working for the company and provide scope for exploitable rights. However, the fundamental commercial considerations of the company can as discussed hamper their development. Therefore we are presented with a need to understand how to engage and directly monetise audiences within digital environments so as to reduce this reliance on commercial work.

It has been consistently argued that it is important for companies to build closer and longer lasting relationships with consumers, to strengthen their position and provide competitive advantage (McEwen and Fleming 2003; Voyles 2007; Vivek et al. 2012). This can then lead to the development of revenue streams (Ancarani 2002; Nojima 2007) that would allow creative SMEs like WÖNKY to circumvent the limitations presented thus far, and make the development of original IP a more sustainable practice.

⁴ WÖNKY prides itself on strong character driven design, which is evident in the content they produce and instils humour in their projects where possible.

2. Theoretical background

Overview

The ability to attract audiences and an understanding of how to monetise these audiences might be seen as a question of engagement (Mersey et al. 2010). Thus, the theoretical basis of this work is grounded within an understanding of specific types of commercial engagement. This chapter offers a review of the extant literature and develops what is termed here as a '*Dynamic Shaping of Engagement*'. Literature on monetisation relevant to this study is also reviewed, with links drawn to the dynamic shaping of engagement. These themes are then developed through the remainder of this thesis

This discussion begins with an overview of engagement and its recent increase in attention due to changes within digital environments and is followed by a discussion of relationship marketing, community, value, and uses and gratifications. Due to the interactive two-way communicatory practices prevalent in the digital era these become appropriate for this study. The focus then returns to literature on engagement and related concepts including involvement and flow.

Throughout, this review deals with a broad range of literature that refers to goods, services and media objects. Whilst there are differences between them (some of which will be referred to through this study), they are seen as similar in the context of this review as they are all objects of consumption. This makes them the *goal object* that motivates the process of engagement, the focus of this review. The arguments arising from these different fields of literature indicate that the development of effective strategies for building engagement, with consumers and between consumers, is critical to create value and strengthen one's positioning across digital environments.

A shift in behaviour

There has been a recent increase in interest around the engagement concept in the marketing literature, with articles on 'consumer engagement' (Pralhad and Ramaswamy 2004) 'customer-brand engagement' (Gambetti and Graffigna 2010; Hollebeek 2011a; Hollebeek 2011b; Gambetti et al. 2012); 'brand engagement' (Keller 2009; Sprott et al. 2009), and 'customer engagement' amongst others

(Voyles 2007; Bowden 2008; van Doorn et al. 2010; Brodie et al. 2011; Vivek et al. 2012). This stems from what has been observed as a shift in consumer behaviour aided by Web 2.0 technologies that has seen the consumer play a more active role in the consumption process (Gambetti and Graffigna 2010; Kumar 2010; Jenkins et al. 2013).

While it can be said that consumers have always played an active role in their consumption of media, this has been amplified by new technological affordances (Harrison and Barthel 2009; Jenkins et al. 2013). The consumers' role in the creation of content and value is more visible, and seen as increasingly valuable (Vargo and Lusch 2004; Prahalad and Ramaswamy 2004; Jenkins 2006). Armed with greater access to information and tools of production, consumers know more and have more control (Prahalad and Ramaswamy 2004). With this control they "*want to play a more active role in the consumption process*" (Gambetti and Graffigna 2010, p802).

The consumer role moves beyond assumptions of passive consumption, towards recognition of more active behaviours such as word-of-mouth (WOM) communication, remixing content, and creating new products (Howe 2009; Jenkins et al. 2013). This has changed the way markets communicate and interact, causing companies to rethink previous marketing practices (Keller and Lehmann 2009). Focus has shifted from one-way communication to more two-way, interactive relationships (Keller and Lehmann 2009). These relationships can create a more loyal consumer who is more likely to consume future content, become an advocate (Aurora 2009), subsequently increasing the brands ability to command a premium price (Reichheld 2000; Ancarani 2002; Voyles 2007). Producers are thus seeking out ways in which they can develop relational exchanges with as many of their consumers as possible.

Relationship Marketing

The importance of relationships puts engagement in the broader domain of relationship marketing (RM). Shane and Chalasani define RM as,

“an integrated effort to identify, maintain, and build up a network with individual consumers and to continuously strengthen the network for the

mutual benefit of both sides, through interactive, individualized and value added contact over a long period of time” (1992, p34).

The interactive communication creates feelings of trust, which in turn leads to relationship commitment (Morgan & Hunt 1994; Berry 1995). This, alongside a focus on long-term relationships, creates opportunities for producers to cross-sell consumption objects, and offers an embedded audience for future interactions. Thus over time relationships become more profitable than singular transactions (Shani and Chalasani 1992; Gummesson 2002)

Entry into these relationships can be motivated by a consumers desire to reduce choice and achieve efficiency in their decision-making (Seth and Pravatiyar 1995). If a consumer has a strong relationship with a producer, they trust in the producer’s ability to serve their needs, and will enter into future interactions based on prior experience (Ravald and Grönroos 1996). This is particularly pertinent in the digital environments where consumers are faced with a vast choice set, but are constrained for time in which to make a choice. Rather than waste time in search, consumers return to producers they rely on to satisfy their needs.

Therefore, relationships build emotional bonds with consumers and drive loyalty (Pawle and Cooper 2006). This shows that consumers can be both rationally and emotionally driven (Schmitt et al. 2009), and it is argued emotion can override rational decisions (Hirschman and Holbrook 1982; Pawle and Cooper 2006; Morrison and Crane 2007). Emotionally driven choice, built on trust, can be a factor in consumers paying a premium for particular brands (Reichheld 2000; Ancarani 2002) creating what may seem to be irrational decisions. These irrational choices are mirrored in digital environments, when consumers select media to conform to biases (Keen 2007), or follow the choice of others (Russ 2007) in spite of potentially better quality options being available.

Bagozzi (1995) when reflecting on Sheth and Pravatiyar’s (1995) work suggests that consumers enter relationships for a variety of reasons, not just the reduction of choice. Whilst reduction of choice may be a resulting outcome, it is argued it may not have been the specific motive. This is also argued by Peterson (1995) who claims that some consumers enter relationships to increase choice, while Szmigin (2005) states that consumers switch between relationships for variety, special offers, or for

no reason at all. Therefore, we may be able to suggest that while consumers like to have an element of choice, they retain an evoked set of producers with whom they have deeper relationship.

In digital environments, this fits with the earlier discussed problems where consumers stick to previous preferences, which creates situations where few producers receive the majority of attention. It may also mean that consumers develop relationships with specific media, or platforms of consumption, rather than creators of content. For example, consumption on YouTube may not be linked to specific creators but to the platform itself that can satisfy the consumer's goals.

Desire to satisfy goals is what Bagozzi (1995) suggests leads consumers into relationships,

“One chooses to enter a new relationship, or maintain an on-going one, because it is seen as facilitating and perhaps even necessary to goal attainment” (p273)

As long as these goals remain important and are being fulfilled to mutual benefit, the parties are committed and the relationship is maintained (Morgan and Hunt 1994; Gummesson 2002). Commitment and trust are argued to be two key mediating variables in the success of RM (Morgan and Hunt 1994). Firstly, relationship commitment refers to the belief that the relationship is so important it warrants the efforts required to maintain it. Secondly, trust is defined as the perceived reliability and integrity of the other party. Bowden (2009) adds satisfaction to these variables, which refers to the consumer's feelings that the consumption object met or fell short of their expectations. As long as the consumer is satisfied with the service (satisfaction) they will perceive the producer as reliable (trust), and as long as the relationship is still important to the consumer's goals the relationship will be maintained. In opposition the relationship will cease if the consumer becomes bored or dissatisfied (dissatisfaction), finds a superior alternative (lack of commitment), or encounters conflict with the producer (trust) (Sheth and Paravatlyar 1995).

In discussing commitment Bowden (2009) argues that it can be separated into calculative commitment (the instrument importance of the relationship), and affective commitment (the emotional importance of the relationship). Thus again we

see both rational and emotional aspects. A focus on building affective commitment can increase consumer loyalty, trust, and advocacy towards a goal object (Bowden 2009; Shashi 2012; Vivek et al 2012) and can be the more desirable aspect as the consumer remains in the relationship “*because he or she genuinely wants to be there*” (Vivek et al 2012, p135).

Whilst the literature here offers insight into what RM is and why it can be effective for dealing with consumers, it often lacks the insight into *how* it can be achieved, or *how* it can be achieved in specific contexts; in this case a creative SME. Guidance into *how* is also often framed around the allocation of resources to execute RM strategies (Gligorijevic and Leong 2011). This means SMEs, like those in the focus of this study can fall behind larger corporations who have greater resources to develop and take risks with RM strategies (Boyles 2011; Kim et al. 2013). This does not mean that RM strategies for SMEs should not be pursued, but that guidance of how to do so in light of resource limitations is required.

Community

It might also be noted that consumers are not just looking for relationships with producers of content, but perhaps more importantly, producers that can link them to other consumers (Cova and Cova 2002; Keller and Lehmann 2009). By allowing consumers to connect with others, producers can build communities that aid the development of trust and loyalty (Aurora 2009; De Chernatony 2010). These communities arise based on the consumers shared tastes, passions, and interests (Kozinets 1999; Muniz and O’Guinn 2001; Cova and Cova 2002). Online this creates virtual communities of consumption where “*interactions are based upon shared enthusiasm for, and knowledge of, a specific consumption activity or related group of activities*” (Kozinets 1999, p254).

Consumers, given the freedom to create will (Schau et al. 2009), and their participatory energy within communities is seen as one way companies can do more with what is already has and enable the co-creation of value (Howe 2009; Fournier and Lee 2009). For example a community built around the popular animation character *Simon’s Cat* provides an environment for cat lovers to commune and share

photos of their own pets, which provides additional community value to the *Simon's Cat* brand.⁵

However, Kozinets (1999) notes that consumers may not be loyal to a particular community or producer, but to a particular form of consumption itself, making them susceptible to switching, or consuming from multiple sources. Therefore, in terms of relationship commitment the consumer may have a series of smaller relationships with producers that combine to form a larger relationship with a particular form of consumption. For example, those with passions and interest in animation will consume content from multiple producers, which together form their relationship with animation as a form of consumption. To carry this relationship out they might utilise platforms like Vimeo or YouTube. This means producers must be aware that they are one in a set of consumption targets. Producers should not however see this as a threat or competition, but use it to be part of the community themselves. For example, creative producers often seek to not only promote their own work, but also engage in the discussion and promotion of others, doing so in the hope of future reciprocation (Antin and Earp 2010).

For some the social link to others may be more important than the content itself (Cova 1997). Producers are required to understand the consumer's desires and place these before their own (Fournier and Lee 2009). This does not mean relinquishing control, but as stated by Fournier and Lee (2009, p111) "*smart companies define the terms of their community participation but discard the illusions of control*". Thus it is important to provide freedom to create, but within boundaries that create value for the company. Otherwise the company message risks being lost or altered in ways that may be damaging to company. Community participation also runs the risks of abusive, or poor quality content, which again may be detrimental to the brand. For example, a 2012 Twitter campaign by McDonalds, which sought to collect positive stories about the company, backfired when unhappy customers hijacked the hashtag #McDStories to tell of bad experiences (Hill 2012). Also, in 2013 the Sydney Powerhouse Museum reached out to its community to design the poster for the Sydney Design Festival, only for the competition to be pulled due to the backlash of design community. Many in this community were disgruntled as the \$1000 prize was

⁵ See: <http://www.simonscat.com/community/>

seen to devalue their work, as the usual commissioning process would see the Museum paying upwards of \$10,000 (Sweetapple, 2013).

Free Labour

The Sydney Design Festival case, and other community co-creative practices raise issues relating to free labour (Terranova 2000; Hesmondhalgh 2010; Scholz 2012). Free labour is relevant as its practices both ease (reduce demands on company resources), and contribute towards (difficulties faced with exposure; devaluing of creative work) the problems arising in this research. Free labour is where *“knowledgeable consumption of culture is translated into productive activities that are pleasurably embraced and at the same time shamelessly exploited”* (Terranova 2000, p37). From Terranova’s definition we have seen the emergence of free labour arguments split into two opposing camps.

In the first there are those who argue participation is voluntary and collective action leads to greater democracy, innovation and diversity in production (Bruns 2006; Leadbeater 2005; Howe 2008). For those choosing to contribute, rewards are argued to be about more than financial compensation, and include the satisfaction gained from contributing, new social connections, gaining news skills, and exposure (Terranova 2000; Howe 2008; Kreiss et al. 2010; Hesmondhalgh 2010). Crowdsourced contributions and free labour practices have increase in the digital age due to the increased connectedness and global reach.

For example, leading open innovation site InnoCentive⁶ provide solutions to business, social, policy, scientific, and technical challenges. Solutions are often provided by outside experts who bring new perspectives to the problem (InnoCentive 2009). Free labour is also evident on Wikipedia⁷ where anyone can write and edit almost any entry. There has also been the rapid growth of the blogging culture, where over 409 million people view more than 15.8 million pages posted on the WordPress blogging service each month, with blogs often run with no financial remuneration (WordPress 2014).

However, in the opposing camp, free labour practices are argued to exploit those who contribute, and devalue the work of the professionals seeking to make a living

⁶ See: <http://www.innocentive.com/>

⁷ See: <http://en.wikipedia.org/>

(Terranova 2000; Terranova 2004; Keen 2007; Kennedy 2013). Keen (2007) highlights the efforts of amateur creators in this argument and states the output of amateurs reduces the economic value of professionally produced content. Carr (2005, para. 29) also critiques amateur creation arguing the blogosphere is full of limitations: *“its superficiality, its emphasis on opinion over reporting, its echolalia, its tendency to reinforce rather than challenge ideological extremism and segregation”*. Carr argues while professional media may be guilty of the same criticism, they still have the resources to fund in-depth research, give equal weight to opposing ideologies and most importantly pay for their workers labour.

Others in this camp discuss issues of spec work or the use of crowdsourced competitions (e.g. Sydney Design Festival contest) where creative labour is provided in the hope of reward (e.g. contest prize money, future work). However, as this reward is unguaranteed it is argued these give rise to troubling conditions for creative workers, such as long hours and underpaid sacrificial labour (Ross 2007; Kennedy 2013). Those who commit their time are often enticed by promises of exposure or the opportunity to enhance a portfolio.

This contribute towards devaluing creative work, as those exploiting such practices are able to access labour at a reduced cost compared to a traditional commissioning processes. There are now frequent examples of workers within the creative industries being asked to work for free in return for ‘exposure’, or other loosely framed rewards⁸. Even established artists are finding themselves in such situations, for example electronic artist Whitey publicly shared his response to a London television production company who asked to use his work for free in their productions with the promise of ‘exposure’ (The Guardian 2013).

Therefore, while community co-creation is viewed as a practice where a producer can *“do more with what it already has”* (Fournier & Lee, p105). The increased production output of amateur creators and the susceptibility of some professional workers to contribute to such practices, lead to the increasingly crowded environments and devaluation of creative work inherent in digital environments.

⁸ Examples of these practices are frequently highlighted in the Facebook group, Stop Working For Free: <https://www.facebook.com/groups/263804607094399/>

Value

Returning the focus to engagement, value is now discussed. Value is important as the motivation to enter into relationships, join communities, or participate in calls to action is driven by the desire to obtain value. Vargo and Lusch (2004; 2007) in describing the Service-Dominant Logic of marketing (SDL), provide insight into how value is drawn from producer-consumer relationships. The SDL perspective on value is relevant to this discussion as SDL argues for long-term relationships and observes the consumer is a more active participant in producer-consumer transactions, as already discussed through RM.

Central to SDL is the notion that value is derived in use and “*the customer is always the co-creator of value*” (Vargo & Lusch 2008, p8), thus until the consumer has used the object(s) and applied it to their goal(s) no value can be derived. From the SDL perspective the producer can only guide value discovery, it cannot be embedded in its production. This furthers the relevance of the SDL perspective, due to the type of content delivered within this research, which may be seen as artistic and intangible artefacts (e.g. Films and Apps). Botti (2000) proposes such artefacts have distinct characteristics including abstractness, subjectivity and uniqueness, which makes them difficult to evaluate without prior use. The way these artefacts are delivered as singular goods also allows us to use the SDL perspective to question how creative SMEs may create value with the consumer.

SDL argues it is not the good itself that is purchased but the on going (service) benefits it provides (Vargo and Lusch 2008). However, a creative SMEs ability to provide an on-going service (a relationship delivered through a series of goods), is hampered by their resource limitations that make a consistency of delivery difficult. In a business-to-business case this on-going relationship is easier to provide, as it is fixed and the goods are paid for (e.g. the company is commissioned). In opposition, the direct relationship with the consumer through the production and delivery of original content online is variable and unguaranteed, especially in terms of monetisation and ability to sustain the relationship.

Original animation content, like that discussed in this research, is usually delivered via another service (e.g. YouTube, Vimeo). Thus, the consumer may derive their long-term relationship and engagement with the service provider rather

than the producer who delivers individual goods upon the service. Unless the producer is able to link together their individual goods and create relationships that transition between goods, long-term value is hard to generate.

The earlier cited *Simon's Cat* is an example of a producer linking the individual goods (the cartoons) and allowing the relationship to transition between them. This is done through the use of community as mentioned earlier, which provides the consumer a link to others with shared interests. Within the community the *Simon's Cat* animations support the relationships by providing the motivations upon which they can interact, communicate and create value.

This understanding allows us to see how curation platforms/websites (e.g. Short of The Week⁹), as well as aggregation services (e.g. YouTube, Vimeo) can create value through the content of others. Curation is a method of selecting, organising, and presenting content in a way that creates value for the consumer (Rosenbaum 2011). Its use is seen as valuable in digital environments where there is an abundance of unfiltered content noise (Rosenbaum 2010). The practice of curation is used by many website producers who curate the content of others around specific topics of interest. The resource demands for content curation are much lower than those required for content creation (Fern 2012), thus curators can provide the consistency of content delivery to transition relationships between individual content items. This may place *curators* at an advantage over *creators* who are less able to deliver with consistency.

The overall determination of value comes through a trade-off between give (money/time/effort) and get (volume/quality/convenience/experience) components. These trade-offs are subject to situational influence with value argued to alter within contexts, e.g. before, during and after consumption (Zeithaml 1988; Woodruff 1997). The way value is determined may also differ from individual to individual, dependent on their goals, context, personality, and social factors (Bloch & Richins 1983; Holbrook et al. 1984; van Doorn et al. 2010).

Abdul-Ghani et al. (2011) also argue for these individual differences and identify utilitarian, hedonic and social benefits to consumption. Utilitarian benefits are related with pragmatic and functional issues and may be influenced by the goal

⁹ See: <http://www.shortoftheweek.com>

objects physical attributes or price. Hedonic benefits are concerned with the pleasure and enjoyment the goal object provides. Finally, social benefits revolve around the attainment of reputation, interaction and approval. Hirshmann and Holbrook (1982) also discuss the idea that we consume not just for utilitarian means, but also hedonic benefits that provide emotional value. The hedonic aspects of consumption bring us back to how value is determined in use, which is important to the artefacts at the centre of this research, where value is difficult to determine without use.

Consumers will seek these various types of value dependent on the context of *their* usage and goals. ‘Their’ is emphasised as value determination alters between consumers (Zeithmal 1988; Vargo and Lusch 2007). Thus, what is valuable to some consumers may not be to others. Value determination is also subject to change; it may endure for long periods or it may diminish quickly. In some instances the way value is determined may be far from what the producer may have anticipated. Thus the producers’ role is to guide value creation and provide the consumer with opportunities to derive value (Normann and Ramirez 1993).

However, in digital environments this can sometimes be difficult. Due to the open sharing nature of these environments and reliance on sharing to attain exposure, content can often be removed from the original creator and lose sense of its original self (e.g. shared across multiple websites where details may be lost). Consumption in such environments also varies widely and is influenced by many contextual changes (e.g. consuming alone vs. consuming with friends; consuming on a small mobile device vs. consuming on large desktop monitor; consuming while commuting replete with distraction vs. consuming at home with little distracting influence). Thus producers may have little control over how content is consumed, which may hamper value determination.

Uses and Gratifications

The uses and gratifications perspective (U&G) provides a further framework to examine value and the individual differences that occur between consumers. U&G becomes appropriate when discussing engagement, particularly across digital platforms, as central to the perspective is the idea that the consumer is active in their selection of media (Blumler 1979; Levy and Windahl 1984; Ruggiero 2000). This fits with our understanding of engagement discussed so far as a process where the

consumer deciphers value by undertaking active participatory roles in consumption. This research also focuses on creative media similar to the media often studied in U&G research.

The U&G perspective considers not what media does to consumers but what consumers do with media (Katz 1959). Within U&G the consumer is seen as active and goal-directed in their selection of media (Katz 1959; Katz and Foulkes 1962; Shao 2009; Leung 2010). In selecting content consumers will avoid what they perceive has no value and “*choose among media content offering those items they deem valuable, even if that value is only momentary enjoyment*” (Stone 198, cited in Mersey et al. 2010, p43). Katz (1959) argues even the most potent of media cannot influence a consumer who has no use for it. Consumers deliberately attend to, or reject media, and dependent on the importance of the media to their needs consumers display varying levels of activity (Levy 1987; Rubin 1993).

Levels of activity are influenced by the consumers’ media orientations: ritualised (diversion or to fill time) or instrumental (information seeking), media attitudes, and social and psychological factors (Rubin 1993). These influences strengthen the notion built from the discussion of value that demonstrates the individual differences among consumers. In U&G theory it is argued consumers will have different reasons for consuming the same media, and the same media will offer different meanings and consequences to different consumers (Blumler 1979). Therefore, when seeking to engage audiences through original content, not all consumers will see value in consumption, or derive enough value that may encourage subsequent monetisation. Thus, producers may consider guiding their value offering so they are accessible to varied perceptions of value, or seek those who determine the deepest value.

Katz et al. (1973) identified 35 needs that consumers seek through media use. These needs are developed into five categories; Cognitive needs (new, factual entertainment), Affective Needs (comic, soap-opera), Personal Integrative Needs (television, advertising), Social Integrative Needs (social media, email), and Tension Release Needs (films, video games). The range of needs illustrates the differences that may occur across consumers. Leung (2010) identifies similar needs specific to consumer participation online. Firstly, there are recognition needs where the audience seeks to establish their identity, gain respect and publish their expertise.

This behaviour is seen on social networking sites like Facebook, where users establish their identity through profile pages, before interacting with others to gain respect and establish expertise. Secondly, there are cognitive needs where the audience seeks to broaden their knowledge base and remain informed. Examples of this behaviour are found in online communities. For example, Flash game making platform Stencyl¹⁰ has an active community base where its users share knowledge and create new content for the platform, helping to develop themselves, the community and the Stencyl platform. Finally, we have entertainment needs, where users engage for fun, to be entertained and pass time. The popularity and vast consumption of YouTube content is a product of this need.

Palmgreen et al. (1980) further U&G theory by delineating between gratifications sought (GS) and gratifications obtained (GO), to account for the fact that what is sought does not always align with what is obtained from media consumption. The authors state that GO influences future GS, therefore creating a cyclical process, maintained as long as GO continues to reinforce GS. They also find that consumers who seek gratifications from one goal object (e.g. a single news program) would have their GS shaped more strongly by GO when consuming one goal object than those who consume from multiple goal objects (e.g. multiple news programs). Those who seek gratifications from multiple sources may find consumption from a single source inadequate to fulfil GS. This argument is pertinent in digital environments where consumers have access to a plethora of choice, thus making it easy for them to have multiple sources of gratification. This may lead them to place less value on each source they consume from. Therefore the abundance of content freely available online may be leading to the difficulties faced in monetising content, which are discussed later (see p51).

Engagement

From this broader understanding of commercial engagement, drawn from the discussions of RM, community, value, and U&G, engagement is presented as an interactive relationship between two entities, entered into for the attainment of value. To further clarify the concept of engagement this review now looks at the literature on engagement and related constructs flow and involvement. Through this discussion

¹⁰ See: <http://www.stencyl.com>

a shaping of engagement is developed, demonstrating it as a dynamic, evolving and variable construct altering over time.

The Advertising Research Foundation (ARF) provides one of the simplest groundings of engagement defining it as: “*turning on a prospect to a brand idea enhanced by the surrounding media context*” (ARF 2006). This definition suggests that engagement is a positive notion (*turning on*) that is context specific (*surrounding media context*). Turner (2010), reinforces the idea of engagement as a positive notion when he links engagement to enjoyment and pleasure; “*we engage with something because it is fun, pleasurable, interesting, rewarding*”, further stating “*we disengage when this experience becomes negative, dull, and no longer fun*” (Turner 2010, p63). Turner provides a basic framing of engagement, one evident in our daily lives. If we find activities enjoyable we continue to engage and seek opportunities to continue engagement in the future. In opposition, if we have a negative experience we disengage and avoid future participation. Yet, the concept of engagement is not so straightforward.

Challenge and Flow

While the pursuit of positive experiences provides a key motivation for engagement, Higgins (2006) argues that it is possible to be engaged in the pursuit of value despite it being unpleasant as an activity. Higgins uses the effort required to overcome an obstacle to attain value as an example of an unpleasant activity. The additional effort required to overcome this obstacle is argued to increase the attraction and value of the target object.

Obstacles encountered during an activity represent a challenge, and challenge is argued to be an important driver of engagement. Literature on educational and employee engagement emphasises how students and employees encounter higher engagement when tasks are challenging (Kahn 1990; Guthrie and Cox 2001; Crawford et al. 2010). The presence of challenge is argued to provide participants with a sense of personal accomplishment (Roberts and Davenport 2002) and meaningfulness (Kahn 1990). The idea of challenge increasing engagement is well developed in the *Flow* construct. Csikszentmihalyi (1975; 1990; 1994; 1998) describes flow as a state of optimal experience “*when a person’s body or mind is stretched to its limits in a voluntary effort to accomplish something difficult and*

worthwhile” (1990, p3). Csikszentmihalyi argues these experiences may not be “*pleasant at the time they occur*” (1990, p3) but can lead to a “*sense of mastery*” (1990, p4) that results in an overall positive reflection.

Any activity is able to achieve flow as long as it “*lifts us out of the anxieties and boredom that characterize so much of everyday life*” (Csikszentmihalyi 1993, pxxi). As such, relaxing and passive leisure activities like watching television are discounted from being able to achieve flow. This does not disregard these activities from being enjoyable or able to achieve engagement; the amount of time we spend in these leisure activities demonstrate they do have value and engaging appeal.

Ghani and Despande’s (1994) study of flow in computer use, demonstrates the difference in value sought from different activities. This study found that individuals in low task jobs pursued challenge to increase skills, whereas those in high task jobs avoided challenge to reduce stress and uncertainty. Therefore, what is engaged with is relative to the consumer’s goals and value desires. So flow does not define engagement, but is an aspect of engagement, which shows engagement as a dynamic concept that offers variations in the value returned.

At a basic level these flow like states of engagement are defined as ‘Deep Engagement’ (DE); they are more challenging, thus require greater active participation on behalf of the consumer. In opposition, more passive and relaxing states of engagement are defined as ‘Light Engagement’ (LE); with minimal levels of challenge; there is less effort and active participation required by the consumer. As such, DE is likely to provide more meaningful value returns than LE, which aligns with the Levy and Windhal’s (1984, p74) statement that more active individuals receive greater gratification.

“the more active individuals not only receive higher amounts of gratification from their media use, but also that they are more affected by such active and gratifying exposure”.

This does not mean that LE is a ‘lesser’ engagement. LE can provide the first steps in building DE, or offer reduced but more accessible value when consumers feel stressed, or want quick value returns. DE and LE will be further clarified over the remainder of this literature review to show how engagement and its related

constructs link to this shaping of engagement, a summary of which is presented in Figure 1.

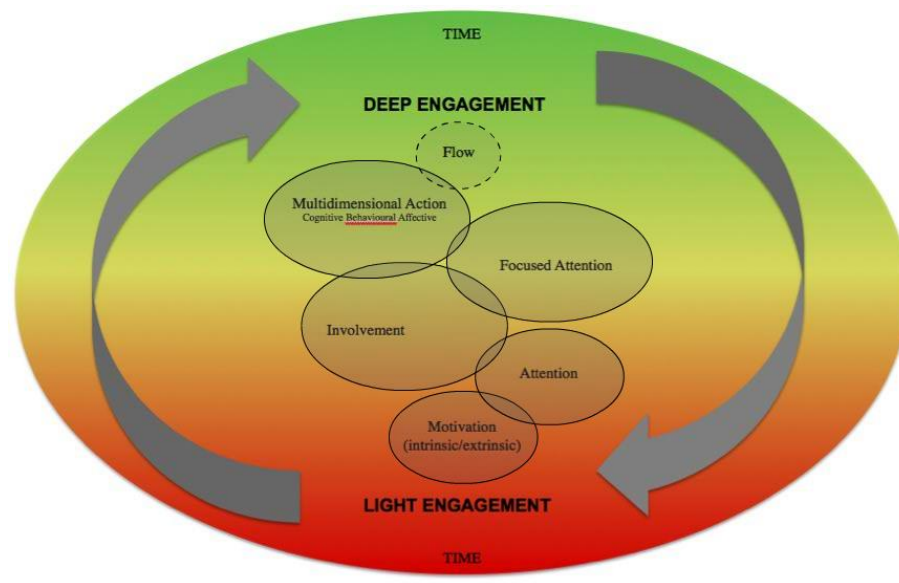


Figure 1: Dynamic Process of Engagement

Alongside the need for challenge in flow is a sense of control and belief in one’s ability to act successfully (Csikszentmihalyi and LeFevre 1989; Hoffman and Novak 1996; Guthrie and Cox 2001; Huang 2006). If challenges are too high the consumer may become frustrated (Crawford et al. 2010; Kahn 1990). On the other hand, if challenges are too low the activity may then become routine and boring (Trevino and Webster 1992; Marcum 2000). Finding the optimum levels of challenge and control can lead to a focused attention on the goal object. Hoffman and Novak (1996) argue focused attention is a characteristic of the flow experience leading to consumers losing a sense of time (Csikszentmihalyi 1990; Hoffman and Novak 1996). When attention is not focused consumers are argued to be either bored or anxious (Huang 2006).

Intrinsic and Extrinsic Motivation

When flow is experienced *“nothing else seems to matter; the experience itself is so enjoyable that people will do it even at great cost, for the sheer sake of doing it”* (Csikszentmihalyi 1990, p3). This makes flow intrinsically motivating. Intrinsic actions *“appear not to be done for any such instrumental reason, but rather for the positive experiences associated with exercising and extending ones capacities”* (Ryan and Deci 2000, p56).

Intrinsic motivation is described as a component of engagement. In a study of engagement in reading Guthrie and Cox define engaged readers as those who are “*intrinsically motivated to read for the knowledge and enjoyment it provides*” (Guthrie and Cox 2001 p284). Similarly, in a study of online brand communities Wirtz defines engagement as “*the consumers intrinsic motivation to interact and cooperate with community members*” (Wirtz 2013, p229). Research finds that those who are intrinsically motivated within tasks perform to a higher standard, show increases in learning and creativity, and display a deepening engagement (Kahn 1990; Ryan and Deci 2000; Guthrie and Cox 2001 Guthrie et al. 2004; Pink 2010).

Thus, in our context, SMEs seeking to develop relationships and engage consumers should be designing intrinsically motivating experiences. Developing intrinsic motivation may be difficult for SMEs with little content precedence, and thus little knowledge for the consumer to determine value. Yet, designing for the intention of providing intrinsically rewarding experiences, which include incorporating the already discussed elements of challenge and control should be targeted. This approach may be more beneficial and less costly in the long run than attempting to utilise extrinsic motivators (Pink 2010), which are discussed next.

Extrinsic motivation is defined as “*a construct that pertains whenever an activity is done in order to attain some separable outcome*” (Ryan and Deci 2000, p60). In opposition to intrinsic motivation, extrinsically motivated activities are performed for the instrumental value they provide (Ryan and Deci 2000). Extrinsically motivated engagement may be initiated by external factors including price, quality, or the consumer’s social situation, which tend to be temporary and context specific. As such, initial engagement may only offer short-term pleasure or attention, which soon wears off and continued engagement requires further extrinsic motivators, larger rewards (Pink 2010), or a switch to intrinsic motivation.

Contrary to both the Guthrie and Cox (2001), and Wirtz (2013) definitions for engagement, which only mention intrinsic motivation, both intrinsic and extrinsic motivators play a role in engagement. Intrinsically motivated engagement might usefully be seen as DE, as it is self initiated by the individual and linked to an on-going concern. Alternatively, extrinsically motivated engagement may be classified

as LE, as it can be superficial or temporary in nature. However this may not always be the case.

There may be some instances where extrinsically motivated engagement creates DE. Consumers may engage in an activity for social reasons, which may heighten the engagement experience. However, once the social context is removed the activity may cease to hold the same value restricting its ability to maintain DE. At times LE may even be intrinsically motivated but this is likely to be part of a continuing series of LE developing towards DE, as will be discussed later in relation to engagement experiences and engagement stacking (see p47-49).

Extrinsic motivators are also often relied upon to initiate new relationships when consumers have no prior experience with the goal object (Bowden 2008; Bowden 2009). The initial extrinsic motivation may thus aid the development of DE. However, this will only occur if the consumer is able to identify intrinsically rewarding properties to alter their positioning (Ryan and Deci 2000). For example, a consumer may be motivated to download a mobile game due to a '50% off' deal (extrinsic motivator). If this is not followed by an experience that the consumer finds intrinsically rewarding they are likely to cease engagement. This may also be followed by a reluctance to engage in future interactions unless they are provided with further (potentially larger) extrinsic motivators. Whether intrinsic or extrinsic these motivations provide the means for task engagement and create involvement.

Involvement

The involvement construct is well established in the marketing literature and may be viewed as similar to engagement. However, as shown in the following discussion, involvement is a part of the process of engagement rather than defining engagement itself. Involvement is defined by Mittal and Lee (1989, p365) as "*the perceived value of a 'goal object' that manifests as interest in that goal object*". Within the practical projects studied here this goal object may be the consumption object (film/App) that influences an engagement with the SME, or it may be interaction with the SME itself.

Involvement is considered a motivational state (Bloch and Richins 1983), driven by the personal relevance of the goal object to the consumer, which initiates cognitive attention (Muncy and Hunt; Zaichkowsky 1985; Kapferer and Laurent

1993). Involvement has been discussed in terms of high involvement and low involvement (Kassarjian 1977; Zaichowsky 1985). In high involvement the consumer places high importance on the goal object and as a result they undertake higher cognitive processing. In low involvement consumers are less concerned about the outcome of the decision and as a result undertake less cognitive processing. Levels of involvement are thus based on the importance of the decision and its potential effect on the attainment of the consumer's goals.

Houston and Rothschild (1978) separate involvement into both situational and enduring involvement. Situational involvement refers to the level of involvement occurring within a specific context and is influenced by factors such as cost, availability of alternatives, and social situations. As situational involvement is linked to the consumer's current context, it is temporary in nature. In opposition, enduring involvement is long-term, influenced by previous experience with the goal object and strength of the perceived values. The temporary concern of situational involvement and long-term concern of enduring involvement make them extrinsically and intrinsically motivated respectively (Laurent and Kapferer 1985; Hoffman and Novak 1996; Huang 2006).

The notions of the high and low involvement, and nature of situational and enduring involvement, mean links can be drawn to the DE and LE shaping of engagement. High and enduring involvement is formed by the consumer's long-term valued interest in the goal object, thus likely to show DE. Whilst low and situational involvement is short-term, less valued interest in the goal object, thus likely to show LE. However, as discussed next, LE and DE is concerned with a more on-going process of engagement that influences behaviour. This is more relevant to the context of this study, as the concern here is on developing long-term relational processes that can influence consumer action such as purchasing behaviour (e.g. monetisation)

Distinguishing Engagement

The motivational, contextual, and value related similarities between involvement and engagement mean they are linked, but not the same constructs. Engagement goes beyond involvement, moving it on from a cognitive processing task to a state of active behaviour (Mollen and Wilson 2010). As described by Bloch and Richins

(1983, p76) *“involvement is another internal state variable that serves as the intermediate step between perceptions of importance and overt action”*.

Involvement determines the level of interest in the goal object. This then focuses attention and influences the resultant behavioural action. Therefore, engagement can be described as a cyclical process where the consumer must first be motivated (intrinsically or extrinsically) by a value signal, this initiates their attention and through attention, the consumer becomes involved. Involvement then leads to focused attention on the goal object (Hoffman and Novak 1996), where the consumer then acts out the behaviours, interactions, and co-creative processes central to engagement (Brodie et al. 2011). Depending on the consumer’s level of involvement and whether interest is intrinsically or extrinsically motivated, a flow like state of engagement may be achieved. This shaping of engagement is shown previously in figure 1.

Multiple Dimensions

During this process the consumer is involved in cognitive, emotional and behavioural processes, making engagement a multidimensional construct (Fredricks et al. 2004; Patterson et al. 2006; Bowden 2009; Brodie et al. 2011; Hollebeek 2011b; Abdul-Ghani et al. 2011). Fredricks et al. (2004) define each dimension of engagement as follows; behavioural engagement refers to the idea of active participation, such as creating fan art based of a favourite film. Emotional engagement refers to the positive or negative reactions, such as positive affect towards a certain filmmaker. Finally, cognitive engagement refers to the willingness to exert the effort necessary to engage, for instance, willingness to decipher meanings and messages behind complex narrative storylines. These three dimensions of engagement can operate independently, or in conjunction with each other, and their levels fluctuate throughout the process of engagement. Positive emotional engagement towards a particular filmmaker, for example, may lead to behavioural engagement through positive word of mouth and the consumer advocating the filmmaker’s work. Of the three dimensions, emotional engagement is argued to be the most influential

“without emotional engagement, customer relationships emerge as no more than fragile, convenient repeat purchases, which are devoid of emotional depth and

which are subsequently, highly susceptible to situational influence and deviations in service quality". (Bowden 2009, p594)

The greater influence of emotional engagement meets the earlier sentiments that emotion can override rational choice (Hirschman & Holbrook 1982). The emotional aspect of engagement may not be goal-directed (Payne et al. 2008), which is what makes it more influential, as it is entered into for its own sake. Therefore, it may be the case that hedonic, emotionally driven engagement is more likely to attain DE.

It is the behavioural dimension that makes the engagement construct broader than related constructs like involvement (Bowden 2009; Brodie et al. 2011; Hollebeek 2011a). Van Doorn et al. (2010) provide a discussion of engagement behaviours which they argue go "*beyond transactions*" (p254) and consider the consumer's entire experience; pre, during and post consumption. For example, an experience a consumer may go through with a creative SME such as WÖNKY, may first involve a cognitive search phase where the producer will be hoping to garner the consumer's attention. Once the consumer's attention is focused upon a particular object they will undergo further cognitive processing to determine if the film will be worth consuming. In this process the consumer will be attempting to judge whether what is received from consumption (e.g. entertainment, enjoyment, inspiration) will outweigh what must be given (e.g. time, cognitive effort, finances). If the consumer determines the encounter contains value they will enter into the '*transaction*' (behavioural). During the process of consuming the film the consumer will undergo emotional (e.g. entertainment, enjoyment, fear), cognitive (processing the action) and behavioural (continuing or discontinuing consumption) processes. After the film has finished, the consumer will determine whether the film delivered on its expected value (cognitive/emotional). This may lead to positive or negative affinity (emotional) towards the film and filmmaker leading to behavioural action. This behavioural action could be in the form of seeking out more content, advocating the film to others, or, extending the medium through remixes or fan content (e.g. art and fiction) (Figure 2). This example demonstrates how engagement relates to the consumer's entire experience and involves multidimensional processes. Engagement behaviours can be both positive and negative and are influenced by the consumer's attitudinal, cognitive and contextual factors, which lead to attitudinal, cognitive and contextual consequences.

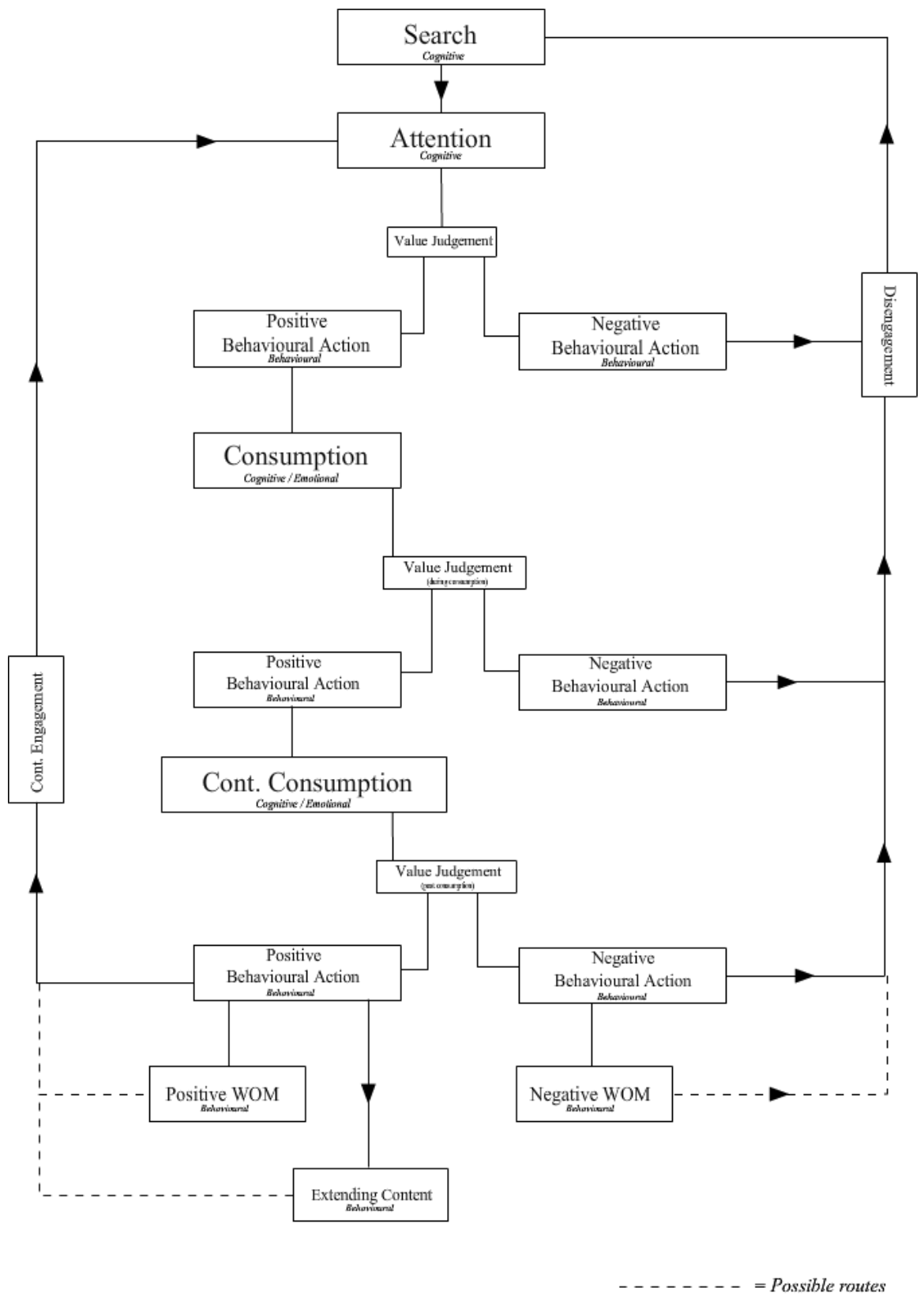


Figure 2: A Process of Engagement

Time

Van Doorn et al. (2010) argue that during a consumer's relationship with a goal object they constantly evaluate their experiences, which alters their goal and value perceptions. Time therefore becomes the final element of the engagement process and shaping of engagement presented here. Seldom does engagement occur from a one off encounter but as a process that evolves dynamically (Bowden 2008; Hollebeek 2011; Gambetti et al. 2012). Over time consumers use memories of multiple experiences to create a global evaluation of the goal object (Ariely 1998a). In one off exchanges consumers are still familiarizing themselves, yet as familiarity increases over time they develop 1) a more elaborated knowledge about the goal object, and 2) a different psychological frame of reference when evaluating the goal object than those with less experience (Bowden 2008).

Like challenge, motivation, and involvement, we can use the aspect of time to frame the notions of LE and DE. Engagement that endures over time forms DE; the relational bonds formed between parties are strong and lasting value is created. Short-term engagement in opposition forms LE; void of any substance and value is short lived. Thus, we see that engagement occurs over a continuum between LE and DE, where LE is the minimum meaningful experience and DE is the maximum. Brodie et al (2011) argue similar sentiments stating engagement can occur in dynamic iterative process that ranges from being short-term and/or highly variable, to long-term and relatively stable. Between these two ends of LE and DE the consumer can have experiences of varying degrees. However, distinguishing a switch between each is difficult, as the process is not linear and can alter between phases of LE and DE.

Marcum (2000) suggests levels of interest, emotion, and motivation alters in intensity over time. Therefore, arriving at one end of LE/DE does not mean the consumer will remain there. Over time a consumer who was once in a state of DE may revert to LE, due to different contextual factors (social, self, burnout). For example, consider someone who has DE with a music artist. At the peak of their engagement, they will be acting out numerous positive engagement behaviours; e.g. listening to the artist's music, seeking out artist trivia, and engaging in positive WOM. However over time their interest in these behaviours may cease; e.g. the consumer may switch to the next 'big thing', their tastes may evolve (growing up),

or the consumer becomes tired of the artist (boredom/burnout). Following a further period of time the consumer's DE may then return; e.g. the artist returns to mainstream focus (a new album), the consumer revisits their previous tastes and memories (nostalgia), or they may re-discover the artist after a break caused by burnout.

Deep and Light Engagement Experiences

The fact that engagement occurs over time helps posit that alongside DE and LE are deep and light engagement *experiences* (DEX/LEX)¹¹. Mersey et al. (2010) define engagement as a collection of experiences, thus while DE/LE refers to this overall collection of experiences, DEX/LEX refers to each singular experience or interaction the consumer has with a goal object. Akin to LE, LEX is more accessible, they are less challenging, participation is less involved and the time required for task completion is short. As such the value derived from these experience are low. In opposition DEX are more challenging in nature, requiring more active consumer participation and a greater expenditure of time. Therefore, DEX can potentially offer greater value returns. A basic example of a LEX would be a consumer passively watching an episode of a television show, while a DEX would see the consumer actively seek out character information and participate in social media (SM) conversation whilst watching the television show.

DEX requires DE on behalf of the consumer. The higher levels of challenge, participation and time, match the consumer's higher levels of attention, relational ties and multidimensional manifestations towards the goal object. In opposition, LEX only requires LE, due to the lower levels of challenge, participation and time. If a consumer encounters a DEX with LE they are likely to disengage, as they perceive the costs of engagement as too high (van Doorn et al. 2010). Alternatively, they may require extrinsic motivation to overcome the engagement/experience disparity. Whereas, if a consumer encounters a LEX with DE the experience may be too routine or boring (Trevino and Webster 1992; Marcum 2000) and cause the consumer to seek alternatives to meet their needs.

The differentiation of DEX and LEX accounts for the fact that intensity of our experiences is seldom constant (Ariely 1998b). The evolution between the two will

¹¹ X has been used to denote experiences for the purposes of reader clarity by making a clear distinction between engagement and experiences in the acronym.

be relative to the consumer's current needs and goals. As suggested earlier there may be times when only LEX is sought to alleviate stress, whilst at others DEX is sought to alleviate boredom and better ones-self. Over time memories of the multiple touch points are used to create a global evaluation of our experiences (e.g. DE/LE).

In a study of pain experiences over time, Ariely argues "*there will be a profound difference between stimuli that have constant levels of intensity and stimuli with changing levels of intensity*" (1998, p22). This therefore suggests that changes are crucial to the perception system. Hence, producers may consider that the most efficient delivery of content would combine LEX and DEX, rather than the constant delivery of one or the other. This is more manageable for producers as a constant delivery of DEX would be a burden on resources, while constant LEX may be creatively unfulfilling. The same goes for the consumer where constant DEX would lead to burnout from time and cognitive overload, while constant LEX would become boring.

The mixture of DEX and LEX also allows producers to cater for consumers whose engagement varies between DE and LE. The film industry, for example, cycles through LEX and DEX coinciding with film releases. In the run up to a new film the use of trailers and behind-the-scenes material creates LEX, which builds interest for new consumers and maintains interest between releases for existing consumers. This LEX builds towards the release of the film (e.g. the DEX). Afterwards, this is followed by more LEX related to the film to maintain engagement before the focus shifts towards a new release, beginning the cycle again.

On its own, short LEX may offer little long-term value. Yet, a series of them over time, delivered with consistency, may develop trusting and lasting relationships to create a global evaluation of DE. We can think of this as an engagement stacking process where multiple consumption experiences are stacked together to create DE. If we use the television show example again, watching one episode offers LEX. However, when the consumer remains engaged episode-after-episode these experiences begin to stack together towards DE. As this stacking process evolves their attention is drawn into the show, and they become more involved (processing storyline and characters), and actively seek new episodes. As DE develops the individual consumption experience of each episode moves from LEX to DEX as the

experience becomes more important to the consumer's goals and values. This engagement stacking process is shown in figure 3 and is represented by an inverted pyramid that demonstrates how engagement can build by stacking experiences over time.

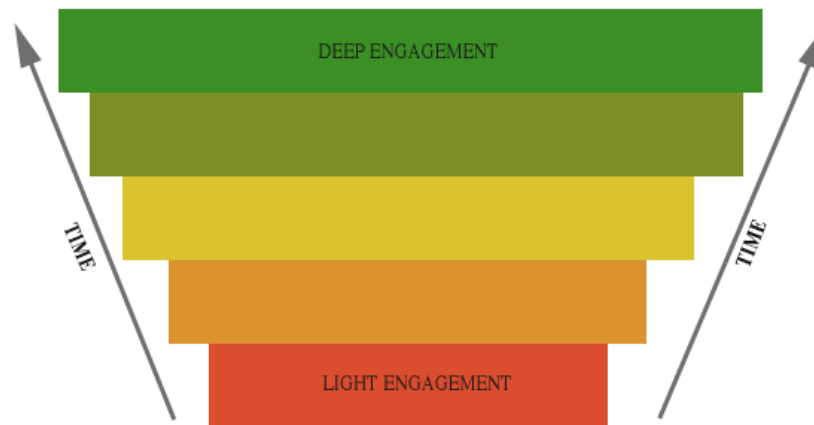


Figure 3: Engagement Stacking Process

Deep and Light Engagement Behaviours

The strong behavioural component of engagement and the varying levels presented through DE/LE and DEX and LEX, also posit the existence of Deep and Light Engagement Behaviours (DEB/LEB). A consumer who has DE, or who has experienced a DEX is likely to have greater motivation to perform increased engagement behaviours. For example, creating 'Fan Art' for a television show, or creating a video 'remix' on sites like YouTube, would constitute a DEB. The consumer is much more involved in such behaviours; exerting greater energy, facing higher challenge, and taking more time. Therefore, they would require DE to perform such DEBs.

In opposition, the ease at which someone can 'like' or 'follow' on SM pages (e.g. Facebook or Twitter) means they are an LEB as they lack effort, time, or challenge. Such actions therefore only require LE and the behaviours can be considered evanescent. For example, Kietzmann et al. (2011, p247) agrees "*Since people can follow as many users as they like, they also do not have any reason to 'unfollow' anyone*". If there were 'following' limits the consumer would need to become more involved in deciding the value of following or unfollowing users, thus increasing the engagement involved in the behaviour.

A Dynamic Shaping of Engagement

All these factors establish engagement as a motivational construct, influenced by the consumer's context that is multidimensional in nature and occurs as a dynamic, cyclical process over time. Related constructs, flow and involvement, rather than being interchangeable terms that define engagement, are components of the engagement process itself. This process does not occur in a linear fashion but ebbs and flows in relation to the consumer's context and goals.

This dynamic shaping of engagement provides us with the concepts of DE and LE. In LE the goal object does not hold high importance with the consumer and relational ties (or desire for) are weak. The consumer is more passive in relation to the cognitive, behavioural and/or emotional processes they exhibit, and engagement is short-term. Due to these factors, LE is likely to be situational and influenced by extrinsic motivators. With DE, the goal object holds greater importance with the consumer and the relational ties (or desire for) are stronger. The consumer exhibits more active, cognitive, behavioural and/or emotional processes and engagement is long-term. Thus, deep engagement is likely to be intrinsically motivated, enduring, and more resistant to external influences.

The development of LE/DE is influenced by experiences, which themselves can also be light and deep in nature, thus giving us LEX/DEX. LEX is quick to consume, with low barriers to entry, which alone offer low value returns. DEX requires greater consumer participation, with higher barriers to entry, and thus (potentially) greater value returns. A combination of these experiences over time, stack together and create global evaluations of a goal object in terms of LE/DE. Subsequently these LE/DE evaluations influence the type of behavioural action the consumer undertakes in the form of LEB/DEB. LEBs are less involved and hold less value for both the consumer and producer, thus requiring only LE motivation. DEBs are more involved, providing greater value for the consumer and producer. Therefore, the desired response is to develop DE with consumers that can lead onto valuable DEBs such as monetisation.

Monetisation

Building engagement with consumers only goes part of the way to strengthening the positioning of creative SMEs in digital environments. Grönroos (1990, p5) states

“marketing is to establish, maintain, enhance and commercialize customer relationships”. Investment in developing engagement is wasted if those consumers cannot be monetised. The commercial demands of a company means any investment must consider the creation of sustainable revenue streams. Successful generation of revenue will aid creative SMEs in sustaining the production of original content whilst reducing the dependence on commercial work.

Modes of monetisation for content delivery that are relevant to digital environments and this research include Premium, Freemium, Free, Advertising, Crowdfunding and Pay What You Want (PWYW). Each of these approaches are introduced next, before linking them to the shaping of engagement discussed so far, as well as to the creative content delivered in this study (e.g. Short Films and Apps).

Premium and Freemium

Within digital environments there are numerous monetisation strategies available, yet Priest (2008) argues no clear sustainable model has emerged. Much of the content available in digital environments is based on a division between freemium and premium content.

A premium approach requires the consumer to pay up front for the goods or service, much like in a traditional retail environment. Examples are seen in App stores by developers who opt to charge, or video on demand services that charge for access to individual films. Premium approaches are argued to struggle in digital environments where there is an abundance of content and free alternatives (Priest 2008). Shirky (2003, para. 3) argues the movement towards free content is in *“epochal change”* and Carr (2005, para. 32) claims we are in an age where *“free trumps quality all of the time”*.

In opposition, a freemium approach is one where the content or service is free to the consumer with revenue generated by charging for additional features and functionality. This method has become a staple of many digital services including LinkedIn¹² and Vimeo¹³. The freemium approach has also become widely used in the mobile Apps market (Koetsier 2014), with revenue generated by selling virtual in-game goods such as more powerful weapons in a fighting game. Giving content

¹² Social Network for professionals, see: <http://www.linkedin.com>

¹³ Filmmaker network and hosting service, see <http://www.vimeo.com>

away for free is argued to be an effective way to attract eyeballs (Priest 2008) and allow the producer to initiate relationships with the consumer (Kozinets 1999). Freemium removes any monetary barrier to entry thus making it easier for consumers to engage. It is then up to the producer to elicit revenue by displaying the value of the relationship and push consumers towards paid memberships or virtual goods.

Free

An extension of Freemium in relation to the content studied in this research is to offer goods or services entirely for free. This approach differs from freemium as no additional revenue is sought through premium features or virtual goods. Instead the hope is opportunities will arise from the exposure of the work, such as a client commission, or selection by a distributor (e.g. Future Shorts¹⁴). This can be the reason why short films are released for free online, as they provide the filmmakers with a creative outlet and a means of exposure (Kander 2013). The free approach to gain exposure is used in other creative fields, for example, indie rock band ‘The Arctic Monkeys’ had their rise fame attributed to releasing demo tracks of their music for free online and at gigs (Kumml 2006).

However, these approaches are also argued to reduce the value of creative works by increasing the availability of free content. Thus, subsequently reducing a consumer’s willingness to pay (WTP) and making it harder for those seeking to monetise work. (Keen 2007; Timberg 2011; Timberg 2012; Ruen 2012). Hesmondhalgh (2010) and Kennedy (2013) argue this leads to a devaluation of creative class, where artists are expected to work free in return for “exposure”. This tendency to release content for free in search of exposure is an aspect of free labour discussed earlier.

Advertising

Other than freemium, advertising is often a default strategy for digital services, aided by being both easy to implement and enabling the attractiveness of free. Large Internet sites like Facebook and YouTube rely on advertising as their main revenue stream. Advertising is seen as attractive due to the amount of consumers that can be reached and data that can be gathered. This data can then be used to improve the

¹⁴ See: <http://www.futureshorts.com>

effectiveness of adverts by showing content tailored to the consumer's interests (Faber 2004; Evans 2009).

However, ad rates previously found in traditional media have not translated to digital environments, meaning high traffic is required to create a positive return (Evans 2009; Groneveld and Sethi 2010). Consumers have also learnt to ignore advertising and develop 'banner blindness', leading to declining click through rates (Cho and Cheon 2004). An Adobe (2012) study found that online and in-app advertising was the lowest ranked forms of advertising for garnering attention, coming behind all traditional advertising channels such as print and television. Using figures that report an average revenue of \$2 per 1,000 views (Del Ray 2012; Kaplan 2013; Maier 2013), means a website receiving 500,000 views per month would only earn an average of \$12,000 a year. Thus, it becomes clear how difficult it can be to generate sustainable revenue. As such even the best international brands such as the New York Times struggle to break even from advertising (Groeneveld & Sethi 2010), let alone SMEs with reduced outreach.

Consumers also mistrust and view advertising sceptically (Cho and Cheon 2004; Kelly et al. 2010), perceiving it as intrusive and negative to the consumption experience (Wang et al. 2002; Brousseau and Penard 2007; Johnson 2013). This combines with privacy concerns (Evans 2009; Johnson 2013), and the perceived credibility of media surrounded by advertising (Yang and Oliver 2004). The issue of credibility is relevant to the independent film content at the focus of this study where the directors are attempting to convey a particular message and evoke emotion through design. Thus the intrusion of advertising is likely to detract from these messages and reduce the value of the film (Filmshortage 2013).

The problems with advertising have seen some producers seek alternative models and some have found a consumer WTP for ad-free versions of their content. For example, In 2012 comic book website Penny Arcade raised \$528,144 through an online crowdfunding campaign¹⁵ to reduce the number of ads on their website. Yet, it remains to be seen if these changes have long-term viability (Creamer 2013). For example, after a year running an ad-free website Penny Arcade returned to an ads in conjunction with a subscription service (Penny Arcade 2014).

¹⁵ See: <https://www.kickstarter.com/projects/pennyarcade/penny-arcade-sells-out/>

Crowdfunding

Crowdfunding is a form of monetisation that seeks to tap the surplus finances of consumers (Howe 2009). Belleflamme et al. (2013 p4) define crowdfunding as

“an open call, mostly through the Internet, for the provision of financial resources in either the form of donation or in exchange for the future product or some form of reward to support initiatives for specific purposes”

Crowdfunding is not a new idea and has similarities with the concepts of microfinancing that date back to the 1700s with the Irish Loan Fund (Hollis and Sweetman 2001). Politicians and charities also have a long history of utilising crowdfunding practices. Internet based crowdfunding is however relatively new and one of the first examples occurred in 1997 when fans of British rock group Marillion raised \$60,00 to finance a U.S tour for the band (BBC 2001). Crowdfunding's recent rise in prominence has been attributed to Web 2.0 developments, which have increased access to the crowd and collaborative participation (Lamber and Scwienbacher 2010). The most recognized form of crowdfunding, and the one relevant to this research, is the reward-based model, which solicits contributions in the form of donations and pre-orders in return for non-monetary rewards (Massolution 2012; Belleflamme et al. 2013). The reward-based model is used by prominent platforms like Kickstarter¹⁶ whose popularity has been accelerated by stand out successes such as Ouya, an Android powered game console that raised \$8,596,474 in a month from 63,416 backers.¹⁷

Benefits of the crowdfunding model include retaining creative and equity control, gauging enthusiasm for a project, and integrating strong audience connections (James 2010a; Steinberg 2012). A study into European crowdfunding goes as far as to state the model is, *“one of the most promising tools to help enable economic growth, job creation and innovation”* (De Buysere et al. 2012). However, the model can be risky and time consuming (Hui et al. 2012) and the work required to make a campaign succeed is often underestimated (Cohen 2010; Hui et al. 2012). Its rise in popularity has also seen it become a crowded market and those with established identities and existing networks are argued to succeed with greater ease (Steinberg 2012).

¹⁶ See: <http://www.kickstarter.com>

¹⁷ See: <https://www.kickstarter.com/projects/ouya/ouya-a-new-kind-of-video-game-console>

Pay What You Want

Pay What You Want (PWYW) is a form of participative pricing that gives the consumer maximum control over the price they pay (Kim et al. 2009). Famous examples of the PWYW strategy include the band Radiohead who sold their album ‘In Rainbows’ under the model, a move that was praised for showing

“the idea of setting a single, one-size-fits all price for an album was long overdue a rethink. Not just because a lot of people wanted to pay less or nothing, but because plenty of fans want to pay more” (NME 2012, para. 5)

The Humble Bundle¹⁸ also utilise the strategy for sales of independent content, originally limited to games, but now also includes music, books and comedy. Since launching the company has raised millions, which is split between the company, the creators involved in the bundle, and a charity¹⁹ (Reid 2014). The Humble Bundles have received credit for providing creators with a source of revenue and promotional platform (Lee 2013; Reid 2014).

Like the freemium approach, PWYW attracts market penetration by removing the payment obstacle (Chen et al. 2010; Fernandez and Nahata 2009). Proponents of the model argue the greater control ceded to the consumer creates enhanced purchase intent (Chandran and Morwitz 2005) by increasing feelings of fairness and satisfaction (Kim et al. 2009). Research also shows that contrary to the belief that consumers will exploit the strategy by paying nothing final prices are significantly higher than zero (Fernandez and Nahata 2009; Kim et al. 2009; Reid 2014).

Raju and Zhang (2010) argue successful PWYW implementations are characterized by the following: a product with low marginal costs, a fair-minded consumer, a product that can be sold credibly at a range of prices, a strong producer-consumer relationship, and a competitive marketplace. These characteristics are arguably present with the delivery of creative content upon digital environments like those at the centre of this study.

¹⁸ See: <http://www.humblebundle.com>

¹⁹ Each consumer determines how they would like their contribution to be split

Monetisation and Engagement

The approaches outlined above (Premium, Freemium, Free, Advertising, PWYW, Crowdfunding) are ones that feature in the remainder of this study and their characteristics are summarised in Figure 4. From this overview the discussion now turns to their links to engagement. At present these links whilst grounded in existing theory are tentative (Figure 5). These propositions, along with the shaping of engagement are evaluated through the projects that make up this research.

Monetising content can be difficult in environments where there are a plethora of free alternatives (Priest 2008). Dolan and Moon (2000) argue that lower prices are inevitable on the Internet as the lower search costs enable consumers to find cheaper (or free) alternatives. However, they continue by suggesting that consumers may be willing to pay a premium to purchase from a producer whom they have an existing relationship. Others echo these sentiments, arguing producers with strong identity and existing consumer relationships are able to command premium prices (Ancarani 2002; Verhoef et al. 2009). This notion is stated by Reichheld and Shefter (2000, p107) who claim *“Price does not rule the web; trust does”*. This therefore emphasises the importance of developing consumer relationships and engagement.

Model	Characteristics	Strengths	Weaknesses
<i>Freemium</i>	Product or service is provided free of charge with additional features, functionality, or, virtual goods used to generate revenue.	<ul style="list-style-type: none"> • Attractiveness of free • Removes monetary barriers 	<ul style="list-style-type: none"> • Requires high audience numbers to deal with low ratio of users who go premium • Requires product or service to have features that warrant an additional premium
<i>Premium</i>	Requires payment up front for product or service much like the traditional retail environment.	<ul style="list-style-type: none"> • Producer has control over the price • Producer receives compensation for work 	<ul style="list-style-type: none"> • Inserts monetary barrier • Reduces potential audience size • Works best for established entities with large audience
<i>Advertising</i>	Consumer receives promotional messages alongside their consumption object.	<ul style="list-style-type: none"> • Attractiveness of free • Removes monetary barriers • Advertisers rather than the consumer provides the producers revenue • Easy to implement 	<ul style="list-style-type: none"> • Requires large audience numbers to generate viable revenue • Consumers are argued to ignore adverts • Seen as intrusive to the consumption experience • Can reduce content credibility
<i>PWYW</i>	Participative pricing model that enables	<ul style="list-style-type: none"> • Can capture both sides of free and 	<ul style="list-style-type: none"> • Likely to require high

	the consumer to determine cost of consumption	<p>premium users</p> <ul style="list-style-type: none"> • Can allow for payments above perceived market value • Consumer control over price reduce risks of dissatisfaction and increase purchase intent 	<p>audience numbers to deal with ratio of users who avoid payment</p> <ul style="list-style-type: none"> • Risk of consumers paying nothing
<i>Crowdfunding</i>	Form of financing the utilizes digital platforms to collect many small financial contributions from the ‘crowd’	<ul style="list-style-type: none"> • Retain creative control • Serves as a promotional as well as financing mechanism • Initiates relationships with audiences • Gauge enthusiasm for a product too much work is invested 	<ul style="list-style-type: none"> • Time consuming and resource consuming • Risky if costs are underestimated • Beginning to work better for those with established identities with large audiences • Fee paid to crowdfunding platforms (e.g. Kickstarter)
<i>Free</i>	Offering goods or services for free in order to gain exposure and build audience/client base	<ul style="list-style-type: none"> • Removes monetary barriers • Increases potential audience • Establishes content precedence 	<ul style="list-style-type: none"> • Work is not compensated • Risk creating a free perception and devaluing work • No guarantee that it will lead to either increases in audience or future commissions.

Figure 4: Strengths and weaknesses of Monetisation Models



Figure 5: Links between Engagement & Monetisation

Risk

The mere introduction of a monetary barrier, no matter the size, increases the engagement required by the consumer. Szabo (1996, para. 7) argues that each transaction presents a “*mental accounting barrier*”. This monetary barrier adds to what is described as perceived risk, which consumers are motivated to reduce (Morgan and Hunt 1994; Sheth and Parvatlyar 1995). Bloch and Richins (1983) describe perceived risk as a) amount at stake and b) the consumer’s subjective feelings of certainty about a subsequent positive outcome. Amount at stake is then clarified as the importance of the goals in question, the seriousness of nonattainment, and the means/effort involved in successful attainment (Cox 1967, cited in Bloch & Richins 1983). To increase the certainty of their actions, consumers undertake risk reduction strategies. These include performing information-processing activities (Dowling and Staelin 1994), becoming more receptive to WOM communication (Sheth and Parvatlyar 1995), or relying on their existing relationships with a producer (Sheth and Parvatlyar; Szmigin et al. 2005). Previous experience with a producer helps create a feeling of trust that can moderate risk perceptions (Bowden 2009; Abdul-Ghani et al. 2011; Smallbone et al. 2012). In cases where consumers perceive the risks of an activity to outweigh the potential benefits, they might exit the relationship (van Doorn et al. 2010; Manolova et al. 2013).

In risk reduction the consumer is determining whether the value derived from the purchase will either be equal to, or (preferably) greater, than the cost of the transaction. As discussed earlier value is defined as the trade-off between the give (sacrifices) and the get (benefits) components. Price is therefore a give component; a sacrifice required from the consumer to continue their engagement (Zeithaml 1988). To counteract the price sacrifice consumers look for the benefits of the transaction.

These value signals are determined from existing relationships with the producers, information search, or extrinsic factors such as social context or discount incentives. The consumer uses intrinsic cues, referring to those elements which are consumed as the product is consumed; physical composition, appearance, and experience. As well as extrinsic cues, referring to elements available before purchase; price, brand name, and marketing. Intrinsic cues are argued to play a more important role in the consumer's evaluation (Zeithaml et al. 1988), but they are harder to obtain without prior experience.

Premium and Engagement

If the goal object has a set premium price the consumer must determine that the trade-off between the give and get components will be beneficial. However, as articulated in the review on engagement consumer value perceptions can vary. Therefore, they may come to different conclusions about the resulting trade-offs. An emotional attachment with the goal object may allow some consumers to override a more rational determination of give and get components. Whilst a more rational view may mean the consumer does not perceive the transaction as being worth the price set, or they may become dissatisfied if their value expectations are not met.

Placing a price on a goal object increases the engagement required by the consumer. Therefore, premium-pricing strategies arguably require DE and the act of purchasing becomes a DEB. The higher the premium price the deeper this DEB becomes. DE provides the trusting relationship to reduce perceived risk and the consumer is more likely to feel intrinsic motivation and emotional attachment towards the goal object. These factors are argued to increase loyalty and provide the means to command a premium price (Reichheld and Schefter 2000; Ancarani 2002). Without an existing relationship and feelings of trust (those with LE), the consumer might disengage and seek alternatives (Dolan and Moon 2000; van Doorn et al. 2010). Alternatively LE consumers will rely on extrinsic cues and situational influence to overcome the perceived risk of the transaction (Bowden 2009). In LE situations consumers undertake greater information search and are motivated by price discounts or social context. However, extrinsic motivators may reduce future participation intent (Deci 1971; Pink 2010; Wirtz 2013), especially if the goal object fails to initiate feelings of intrinsic desire and move the consumer towards DE.

Crowdfunding and Engagement

Crowdfunding is also likely to require DE on behalf of the consumer; high levels of trust are required for the consumer to believe the producer is capable of delivering on their proposal. This can be offset by crowdfunding rewards that provide an extrinsic motivation argued to be key in influencing contributions (Kuppuswamy and Bayus 2013). The variable price tiers of these rewards²⁰ may also offset DE and account for varied value perceptions among consumers. Thus the DEB contribution can be reduced depending on the cost of transaction and the rewards offered in return.

It is argued that crowdfunders' may be more tempted to provide money if they expect a tangible outcome (Belleflamme et al. 2012). This is due to the more discernable quality of tangible goods as opposed to the subjective nature of creative works (Botti 2000). Creative content producers, like those studied here, may then have to work harder to establish DE and reduce quality uncertainty that surround their projects.

However, recent examples such as the Potato Salad Kickstarter²¹, suggest that consumers may be less rational than the need for DE suggests. This 'joke' campaign, which sought to raise \$10 so the campaigner could make a potato salad, went viral in 2014 raising a total of \$55,492. People were motivated to fund the campaign for emotional and social drivers, which allowed them to become part of the joke and social action driving what became an Internet meme. This again suggests that the consumer may be less than rational in their decision-making and shows emotion is an important driver of engagement. It also again indicates consumers may not have engagement with specific producers, but with forms of consumption. In this case, the consumers' engagement does not lie with the Potato Salad campaigner, but with the communal action driving the meme and humour as a form of consumption. Therefore, DE is present but not with the producer.

'Free' approaches and Engagement

Advertising removes the monetary barrier to engagement as the advertiser rather than the consumer handles costs. Consumers therefore require little, to no, pre-existing levels of engagement to enter the relationship (e.g. Freemium attention in Figure 5). However, for advertising models to generate significant revenue, high

²⁰ Crowdfunding campaigns usually offer a variety of rewards that range anywhere between \$1-10,000

²¹ See: <https://www.kickstarter.com/projects/324283889/potato-salad>

consumer numbers are required alongside high repeat patronage to maintain the revenue stream. Thus, the goal object must provide a consistently compelling experience to maintain the relationship and motivate engagement behaviours such as WOM to boost audience figures (e.g. Freemium Commitment in Figure 5).

The same can be said for freemium and free approaches. In terms of freemium, while initially giving consumers free access, some form of payment is ultimately sought to generate revenue (e.g. memberships, virtual goods or upgrades). Whilst with the free approach, the producer must offer a compelling DEX to establish engagement behaviours that can aid exposure and provide indicators of quality that may warrant potential future commissions. Thus, while these free approaches can enable producers to gain attention they then need to transition LE towards DE, either through the consistent delivery of LEX or long-term DEX.

PWYW and Engagement

PWYW may provide a way to account for the different value perceptions and both DE and LE consumers. If value is determined in use and the consumer is always the co-creator of value (Lusch and Vargo 2008), then it may be suggested that it is the consumer rather than the producer who can best determine price. This is especially relevant to the creative content studied here. As introduced earlier, Botti (2000) proposes creative works have distinct characteristics including abstractness, subjectivity, and uniqueness. Unlike tangible goods, whose value may be determined by a specification sheet and functional properties, the consumer seeks out hedonic properties (pleasure/emotion) to determine value of creative works (Hirschman and Holbrook 1982; Botti 2000). These hedonic properties are subjective and make creative works difficult to evaluate without prior consumption (Botti 200; Lopes and Galletta 2006). This can lead to quality uncertainty, increasing perceived risk, which is added to by the introduction of price.

In addition, Shirky (2003) argues creative producers are faced with a ‘fame vs. fortune’ dilemma. In this dilemma Shirky argues that content can either be released free to provide an advantage that can increase the attention given to content. Alternatively, attempts can be made to derive fortune, but risk losing a large segment of the potential audience. From a creatives viewpoint ensuring audience reach can be as important as monetisation; there is no value derived from the creative work if

there is no one there to see it. Therefore, a PWYW model may be able to address the ‘fame vs. fortune’ dilemma.

“The only ones to really appreciate champagne for itself are connoisseurs or those who are somewhat interest in wines, champagnes and good food” (Kapferer & Laurent 1993, p353). The above statement may be linked to the creative community, specifically the animation community relevant in this study. Therefore, suggesting the only ones to really appreciate independent short-form animated content for itself are connoisseurs (fellow animators/filmmakers) or those who are somewhat interest in animation, filmmaking and independent creativity. These connoisseurs are likely to place the highest value on the consumption of this material based on their DE within the community.

With a PWYW approach those who do not perceive value highly enough and only have LE with the creative entity can freely access content with reduced risk. This will allow for an increased potential audience, thus tapping into the fame aspect of Shirky’s dilemma. On the other side, those who perceive value and have DE with the creative entity have the ability to reciprocate at the level they determine value, thus tapping into the dilemmas fortune aspect by opening up potential revenue streams.

As the decision is placed into the hands of the consumer a PWYW implementation may also give rise to feelings of control, which as discussed are elements of engagement. Depending on how the PWYW approach is implemented (prior or post consumption), the model may also enable consumers to access intrinsic cues that are argued to be more important in enabling consumers to make evaluations. PWYW can therefore allow consumers to experience the engagement required to perform the DEB of entering the transaction. Also, consumers that consume, but do not determine value to the level of carrying out the DEB transaction, may still be motivated to carry out LEBs (WOM) that still hold value for the producer.

Summary

This review disuses literature on engagement and its broader relational constructs to develop the notion of a dynamic shaping of engagement that is multidimensional in nature and varies between individual consumers. Engagement is influenced by

challenge, involvement and time, and is motivated (intrinsically and extrinsically) for the pursuit of value. The dynamics of engagement lead to the notions of DE and LE that account for the levels of engagement the consumer may hold with a goal object. DE or LE are developed through experiences, which themselves may be DEX or LEX, and a combination of these experiences overtime leads to the consumer's global evaluations of either DE or LE. DE/LE and DEX/LEX can then determine the level of the consumer's behavioural action as either DEB or LEB. LEB constitute lighter behavioural actions such as social sharing, whilst DEB constitute deeper behavioural actions such as creating fan art or purchasing content.

The second part of this review focused on monetisation, which is argued as the second step in strengthening a producers positioning in digital environments (e.g. the commercial aspect of engagement). Through successful engagement producers can increase the potential opportunities for monetisation and make producing original content a more sustainable practice. Revenue models relevant to this study have been presented with strengths and weaknesses established. These different approaches have then been linked to engagement and show the importance of engagement upon monetisation.

3. Methodology

The following chapter begins by outlining the research objectives. This is followed by the research methodology, which is influenced by the unique aspects of the research that occur due to the research being embedded within industry. Next, an introduction to the projects that make up this study is presented with an overview of the methods used in each project. The chapter concludes with the limits of this methodology and a statement of contribution.

Research Objectives

This research has six objectives in four specific areas. Firstly, in relation to the host company for this study where objectives are to (1) strengthen their positioning within digital environments and (2) enable them to be better placed to engage and monetise their own original content. Through this objective this project aims to (3) identify methods and practices that can aid companies in similar positions to the host company within the field of animation and the wider creative industries.

Secondly in dealing with the limitations that face creative SMEs this research also aims to (4) highlight areas where more support may be needed to allow companies dealing with these problems to achieve their creative and innovative potential.

Thirdly, this research aims to (5) demonstrate the *Dynamic Shaping of Engagement* as outlined through the theoretical background of this study. Through the presentation of the projects that make up this study the practical application of this shaping of engagement and its links to monetisation will be shown.

Finally, this research aims to (6) develop new knowledge into the nature of digital environments in relation to the understanding of engagement developed in this research and in the context of creative SMEs seeking to utilise these environments.

Research Methodologies

The Professional Doctorate

This research is being undertaken as an industry based Professional Doctorate (ProfD) within an SME animation studio. Thus as well as meeting the standard of academic enquiry this research is focused on meeting the needs of the host company

company (WÖNKY Films). Lee et al. (2000, p127) argue this creates a three-way model “where the university, the candidates profession and the particular work-site of the research meet and intersect in specific and local ways in the context of a specific organisation”. This relationship is demonstrated in figure 6 (Lee et al. 2000).

ProfD’s are argued to shift towards ‘Mode 2’ knowledge where a cyclical relationship occurs with practice informing knowledge, which in turn informs changes in practice (Nicholls et al. 2010; Maxwell 2003). Mode 2 knowledge and the ProfD model enable the focus of research to occur in the workplace, where it can be influenced by the real-world realities including social relationships, time available, financial constraints and resource limits. Such influences have become key characteristics in the development of this research. By being embedded within industry this ProfD draws upon aspects of different methodologies, which are discussed next.

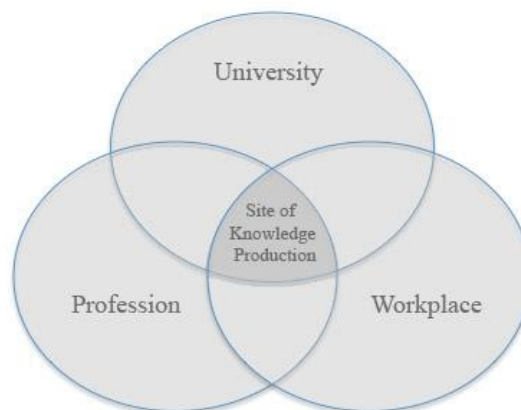


Figure 6: Professional Doctorate Hybrid (Adapted from Lee et al. 2000, p127)

Practice-led Research

Practice-led research (PLR) is a ‘naturalistic’ inquiry where the problems and questions of the research are formed by the needs of practice and practitioners (Gray 2006). PLR is similar to Practice-based research. Candy (2006, p3) offers the following to distinguish between the two concepts:

- *If a creative artefact is the basis of the contribution to knowledge, the research is practice-based.*

- *If the research leads primarily to new understandings about practice, it is practice led*

Candy (2006, p3) further defines PLR as research

“concerned with the nature of practice and leads to new knowledge that has operational significance for that practice [...] the primary focus of the research is to advance knowledge about practice, or to advance knowledge within practice. Such research includes practice as an integral part of its method”.

The production of creative artefacts are key to the overall structure of this research project, but alone are not the basis of this work's contribution to knowledge. Instead, these creative artefacts and the experience of developing them, lead to the understandings of practice that aim to advance knowledge about practice. It is for this reason that this work falls into the category of PLR.

The centrality of practice and the workplace provides a unique approach to research (Hamilton and Jaaniste 2010), providing a naturalistic setting where challenges arise through the production of artefacts (Mäkelä 2007), and work is informed by the needs of practice (Gray 1996; Rust et al. 2007). This makes PLR an evolving methodology where questions and problems relating to the research evolve over time, leading to new insight, directions, and research questions (Mäkelä 2007; Sinner et al. 2006; Stock 2011).

Through PLR, synergies are created between the artefacts produced and a reflective textual analysis (Sinner et al. 2006). The outcomes of this work are thus in the form of both creative artefacts and the textual documents that provide the 'retrospective look' (Mäkelä 2007) on their development. These documents offer the reasoning behind the creative artefacts, a critical reflection on their development, and provide insight to advance practice (Candy 2006; Killoh 2008; Stock 2011). As practice is an integral part of PLR it shares commonalities with the area of action research (AR) (Candy 2006)

Action Research

Research under the AR methodology can be seen as a process of resolving challenges raised in practice (Gray and Malins 2007). Thus AR is learning by doing (O' Brien 1998) where the researcher observes, reflects, acts, evaluates, modifies,

and repeats (McNiff and Whitehead 2011). In this process theory informs practice and visa-versa, and both become refined (O'Brien 1998). This cyclical nature of research leads to the idea of the iterative spiral (Figure 7), which illustrates the evolving and open-ended nature of the methodology where definitive closure is not sought and where one cycle can turn into another (McNiff and Whitehead 2011).

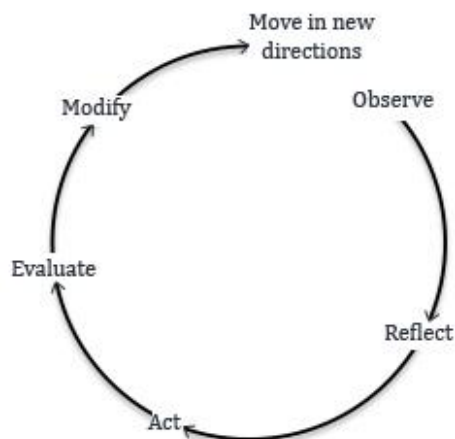


Figure 7: Action-Reflection cycle (McNiff and Whitehead 2011, p9)

This iterative nature is evident in this research with practice and theory developed in tandem. Baum et al. (2006 p854) summarise AR stating, “*The reflective process is directly linked to action, influenced by understanding of history, culture, and local context and embedded in social relationships*”. This means the researcher becomes a reflective practitioner. Reflective practice aims to unite research and practice through the uniqueness of the research context (Schon 1983; Gray and Malins 2007). Schon (1983) describes two types of reflection: reflection-in-action and reflection-on-action. Reflection-in-Action as the name suggests occurs in the act of undertaking practice. Reflection-on-Action occurs post practice and forms the critical process of evaluating the action. In terms of this research reflection-in-action occurs during the development of the practical projects, adapting and altering practice as issues arise. Reflection-on-action then occurs within the textual documents when evaluating, and critically reviewing the practical projects.

Case Study Design

Whilst not strictly a case study this research also draws from aspects of the case study design. Yin (2009, p18) defines a case study as an empirical enquiry that:

- *investigates a contemporary phenomenon in depth and within its real-life context, especially when*
- *The boundaries between phenomenon and context are not clearly evident...*
...The case study inquiry
- *cope with the technically distinctive situation in which there will be many more variables of interest than data points, and as one result*
- *relies on multiple sources of evidence, where data need to converge in a triangulating fashion, and as another result*
- *benefits from the prior development of theoretical propositions to guide data collection and analysis”*

The case study methodology again refers to knowledge development within real practical surroundings (Darke et al. 1998; Flyvbjerg 2006). This enables case studies to create deeper insight where theory is developed as the experience unfolds (Darke et al. 1998; Perry 1998), allowing case studies to report not only on ‘what’ is happening but also ‘how’ and ‘why’ (Weerd-Nederhof 2001). While single cases can provide in-depth insight, it is argued that the use of multiple cases allows for cross-case analysis and richer descriptions for theory building. Case study designs incorporate the use of both qualitative and quantitative data to develop knowledge (Eisenhardt 1989; Darke et al. 1998; Yin 2009).

This research follows principles of a case-study design in that it develops insight through the direct observation and experimentation with practical projects delivered within the real life context of a working animation studio. The study investigates issues pertaining to the contemporary phenomenon of digital environments, and the practices of developing and monetising audiences in these competitive, information-rich platforms. The overall narrative of this research relates to the delivery of five practical projects, which combine to create a richer over-arching narrative. Alongside these practical projects four research studies have been carried out based on the insight developed within the practical work. The purpose of these studies are to help strengthen the insight and conclusions put forward, and follows the idea that *“any finding or conclusion in a case study is likely to be much more convincing and*

accurate if it is based on several different sources of information” (Weerd-Nederhof 2001, p528). Data is collected both quantitatively through analytical data and survey questionnaires, and qualitatively through direct observation and interviews. The study is also guided by the theoretical grounding of engagement as established so far.

Overview of projects

The following section provides an overview of the five practical projects and four research studies that contribute towards this study. These projects are presented in the accompanying portfolio document (p200-432), which provides more detail and contextual insight to their development. The accompanying portfolio also provides a summary table of each of these projects (p206) as well as a timeline of research activities (p214). In this current overview an introduction to each project and how it contributes towards this research is presented, along with a discussion of the methods used during these projects.

Practical Projects

Practice in this research has focused on interactive development across multiple digital platforms (web, mobile, tablet). The following five practical projects demonstrate the attempts to circumvent and/or reveal the issues prevalent for SMEs in developing and establishing content upon digital environments.

Laugh Your Head Off (Portfolio A, p218 - 233)

This was the first project of this research and sought to explore the use of crowdfunding as a means of financing an animated short film. The projects campaign was unsuccessful due to a lack of engagement around the project. A review of why the campaign failed, which focused on literature around engagement and communities, initiated the development of the theoretical background framing this research. The review also provided the initial insight into the resource limitations faced by creative SMEs in attempting to develop their own original content

iLand (Portfolio B, p234-238)

iLand was a multiplatform children’s series being developed by WÖNKY at the beginning of this study. Practical work on this project sought to develop a digital strategy to enhance the digital components of the project. Work on the *iLand* project

was eventually abandoned due to complications with the IP ownership and a lack of resources for continued development. The *iLand* project offers insight into the industry culture, resource limitations, and risks involved in developing IP.

Short Films & Companion Apps (Portfolio C, p239 - 280)

Despite the failure of the Laugh Your Head Off (*LYHO*) crowdfunding campaign, production continued to produce the projects short film ‘Why Did The Chicken Cross the Road?’. Focus then turned to exploring new ways the film could be exploited across new interactive platforms. This led to the development of a short film companion iOS app, a practice that has since been undertaken for two more short films produced during this study (*Writers’ Block* and *The Nether Regions*).

These three short films have also been released online and sought to create a more strategic promotional strategy than previously employed by WÖNKY. The online launch of these short films and development of their companion apps have provided evidence into the limitations facing creative SMEs, building audiences and engagement, the competitiveness of the digital environments, and insight into monetisation.

Ace Discovery (Portfolio D, p281 - 309)

Ace Discovery is an animated comedy pilot funded by Frederator Studios and produced by WÖNKY Films. Practical work focused on the projects promotional activity to enhance audience reach and engagement. The project provides a comparison between producing original content independently (Portfolio C, p239) and producing it with the backing of a larger entity with increased resources. The project also highlights the sacrifices (reduction of IP) that creative SMEs may have to make to fulfil creative ideas, and again presents insight into the difficulties of building engagement in competitive digital environments.

Show Me The Animation (Portfolio E, p310 - 359)

Show Me The Animation (*SMTA*) is an online animation community developed during this research. This project has sought to build engagement with a community of like-minded animation creatives through the curation of animation content online. As well as maintaining the project across online platforms, practical work created opportunities for engagement through user-generated content (UGC) undertaken online and at live events.

Towards the end of this research practical work on *SMTA* focused on developing an iOS app. This app utilised different monetisation techniques (advertising, PWYW, and premium) to create opportunities for filmmakers to earn revenue for their work. The *SMTA* project contributes insight into building audiences and engagement, industry culture, and monetisation.

Practical Project Methods

Contextual and Literature Reviews

Whilst an overarching contextual and literature review has been established at the beginning of this document, the separate projects are where appropriate established by additional reviews. These reviews provide additional context for each project and the theoretical reasoning behind their development (McIntyre 2006). The use of these reviews also forms part of the reflective process and serves to answer questions and raise new ones for research (Killoh 2008). This reflection with the literature can then help strengthen the validity of the emerging theory (Eisenhardt 1989). These reviews are used in both the practical and research projects, and included additional insight into crowdfunding (Portfolio A, p218; Portfolio F, p360), short films (Portfolio C, p239; Portfolio G, p399); App development (Portfolio C, p239; Portfolio E, p310); and social media (Portfolio H, p431).

Iterative Practice

The development of these practical projects has been carried out in an iterative process, where reflection has seen changes to projects or new insights carried forward to new projects. This development has generally undergone the following process, which is also illustrated in Figure 8.

Project Analysis

An initial analysis of the project identifies its needs, aims, and the context of its platform of delivery. This initial process frames the project as well as outlining the tools for development. The NABC (Needs, Approach, Benefits, Competition) framework (Carlson and Wilmot 2006) has been used as a useful guide to this initial analysis.

Wireframing

Project wireframes provide a quick method for outlining the development needs of the project. Wireframing software Balsamiq has been used for multiple projects to define the project structure and initial layouts.

Prototyping

A prototyping phase allows for initial tests to be created before getting involved with graphical design elements. These prototypes allow for ideas to be tested quickly ensuring they are feasible before getting too far into development, therefore reducing risk.

Development

The main development phase is focused on programming and implementing design assets. Depending on the platform of delivery different programming skills have been used to meet the needs of the project. Throughout this research, projects have been developed for web (WordPress, PHP, HTML, CSS), online games (Flash, ActionScript 3.0), and mobile and tablet devices (Flash, ActionScript 3.0). This development phase may undergo several iterations returning to the previous phases if problems arise. This cyclical process allows problems to be identified early and uncover unforeseen problems that cannot be predicted (Zimmerman 2003).

Testing

Practical interactive projects have each undergone user-testing to identify problems, bugs, and test usability. Each phase of user testing has utilised at least five test subjects. Jakob Nielsen (1993) suggests that five users will identify 85% of issues, after which new users tend to find already identified problems. Issues identified in the user testing may lead back to prototyping/development phases, thus continuing the iterative development before further testing is carried out.

Publishing

After all issues arising from user testing are resolved, projects are published to their platform of delivery. Depending on the platform this can be a simple process of making the project 'public', or a longer process of waiting for third-party approval, e.g. Apple App Store Review.

Analytical Data

Analytical data has been used to present insight to the usage of artefacts, and the effectiveness of steps made to build engagement and/or monetisation. This data can then be used to improve usability and engagement (Fang 2007; Hasan et al. 2009). Analytical data has been collected from a variety of sources depending on the projects platform of delivery (Figure 9). When applicable time related data has been reported in GMT to match the time zone of the host company.

Review

After the publishing phase the project undergoes a reflective review to analyse the development and investigate usage (via analytical data). This review provides time for critical reflection discussed in the introduction and further detailed next. This critical reflection creates insight for further development and new artefacts (James 2005; Killoh 2008). As this research has matured, new theoretical insight or technical knowledge has also influenced project changes.

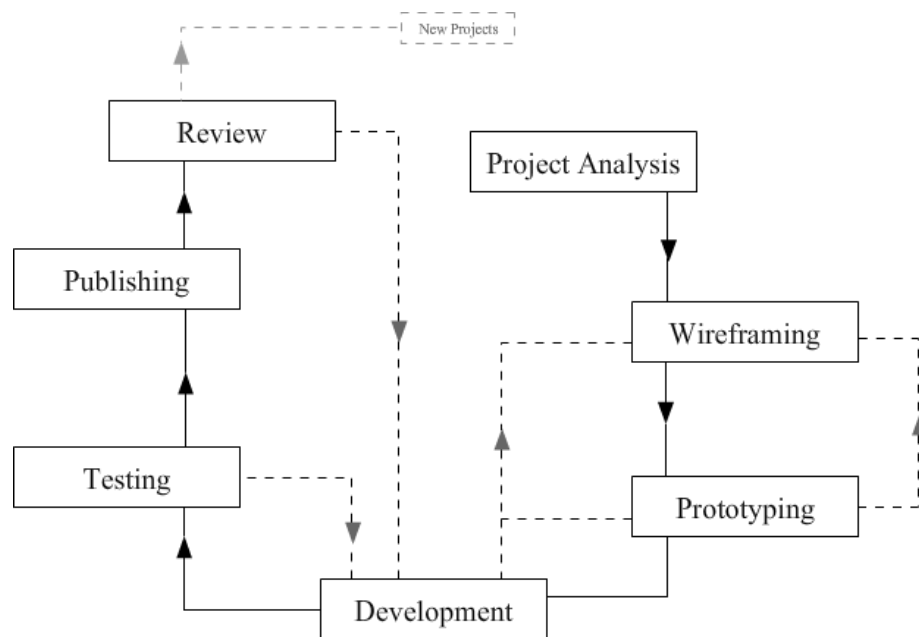


Figure 8: Practical project iterative practice

Platform	Analytical Source
<i>Web</i>	Google Analytics
<i>Social Media</i>	Facebook Insights Social Bro Insights Buffer Analytics
<i>iOS Apps</i>	iTunes Connect Insights Flurry Analytics
<i>Video</i>	Vimeo Stats YouTube Stats
<i>Monetisation</i>	AdSense Performance AdMob Insights iAd Insights

Figure 8: Analytical Data Sources

Critical Reflection

The previously described methodologies and methods used through the delivery of the practical projects lead to this thesis being a critical reflection on practice. Mezirow (1990, 1998) describes critical reflection as a process of making interpretations out of our experiences and using this learning to correct presuppositions and guide future experiences. By critiquing these presuppositions critical reflection moves the activities undertaken during this research beyond mere experiences and encourages deeper, transformative learning, which creates a new understanding of practice (Mezirow 1990; Gray 2006). Through the iterative nature and direct experience of practice this research continuously cycles through a process of critical reflection. These cycles include the reflective processes introduced earlier and described by Schon (1983) as reflection-in-action and reflection-on-action.

Reflection-on-action refers to reflecting on past experience to describe what is known. This occurs through the analysis of previous practical projects, both within the company and within the wider animation and creative industries. This involves the development of the contextual and literature reviews that have been used to interpret practice and understand what has happened. As this research is iterative, this has also involved revisiting existing literature reviews undertaken during the research. The iterative nature of these reviews has influenced the development of *The Dynamic Shaping of Engagement*. This conceptual model for understanding

engagement has evolved throughout this research and was originally framed only with the notions of LE/DE. As research has progressed and more practical projects have been experienced, the notions of LEX/DEX and LEB/DEB have been incorporated to better encapsulate a consumer's entire ongoing process of engagement with a producer.

Reflection-in-action, occurs during practice, which involves reflecting as the experience happens. In this research this has involved note taking during practice to reflect on key issues or insights as they occur. These are then used to guide alterations in practice or used during the reflection on action. With the highly practical nature of some of the projects, which involve interactive development, this reflection-in-action also means reacting to practical issues as they arise. These can occur at any stage of the development process (e.g. wireframing, prototyping, testing) and can lead to the course of planned development altering, or returning to a previous phase. For example, project development may return to a contextual review of existing practice to find solutions for development bugs, or project scope can alter, or be abandoned altogether due to limitations of the host company.

In undergoing reflection-on-action and reflection-in-action, this research creates reflection-for-action. Reflection-for-action creates the knowledge and insight that informs the directions of future experiences (Killon and Todnem 1991). This includes the research studies (discussed next), which have occurred as ways to further explore the insight emanating from the practical projects. These research studies subsequently lead to guidance for future experiences on both a practical and theoretical level. As does this thesis as a whole; the combination of reflecting on the entire body of work undertaken during this study (both practical and research studies) develops a critical positioning against digital environments and calls for greater support for creative SMEs in order for them to compete, as discussed in greater detail through the remainder of this thesis (see Chapters 4-7).

Research Studies

The practical projects have been supplemented by four research projects, undertaken to provide deeper understanding into the themes arising from this research. An introduction to each of these research studies is presented next, along with a discussion of the methods used.

Success in the Management of Crowdfunding Projects in the Creative Industries (Portfolio F, p360 - 398)

This study was undertaken after the failed *LYHO* crowdfunding campaign and sought to understand how creative SMEs might achieve success with the crowdfunding approach. The study analyses 100 creative crowdfunding campaigns within the film and video category on Kickstarter. These campaigns were selected from the most recently ended campaigns during two periods of analysis (Dec 2012 – Feb 2013 and Dec 2013). This ensured data relating to the campaigners networks accurately pertained to the time the campaigns were run.

Campaigns were analysed based on *reward quality* and *pitch quality*. Analysis criteria for *reward quality* included level of choice, the tangible and intangible value offered, value for money, geographic vulnerability and influence of content precedence. *Pitch quality* analysis looked for evidence of passion and preparedness. In both cases the criteria were independently applied to a sample of campaigns to ensure consistent application. Campaigns were then subject to an analysis that considered the target set by the campaign organisers, the total amount raised as a result of the campaign (in \$US) and the goal percentage. Analysis also considered the networks reached, the social media connected to the campaign, and campaign search engine performance. These networks were then compared with the number of campaign backers and financial goals of the campaign.

A discriminant analysis was used to identify factors leading to successful campaigns and found two factors labelled “Network management”, and “Campaign Management. The attributes of these factors lead to the questioning of crowdfunding’s long-term ability to aid resource poor companies, and therefore arguably in the greatest need of crowdfunding platforms. The findings provide insight to practitioners considering the crowdfunding approach and highlight that crowdfunding should not be considered lightly, and can require a considerable investment of resources to be successful.

This paper was first presented at the 8th Cyber Cultures Conference, Prague, 2013. The revised version, developed alongside Dr Mike Molesworth and Dr Georgiana Grigore, has been accepted into the Internet Research Journal.

Consumption and Willingness to Pay for Short Animation (Portfolio G, p399 - 430)

This study is based on an understanding of engagement and value, with insight from the U&G framework. The study proposes consumers will display a differing Willingness to Pay (WTP), based on their level of engagement and values sought from consuming animation content online. As such, it is suggested dynamic pricing models may be an effective method to derive revenue from creative content. To test this hypothesis an online survey was used to explore differences between individuals who work, or have a valued interest, within the field of animation (insiders), and those who do not (outsiders).

Surveys were used as they are the predominant Uses and Gratifications (U&G) method and have been validated by previous studies (Conway and Rubin 1991). U&G research also assumes that humans are sufficiently self aware to be able to report their interests and motives (Katz et al. 1973). Surveys also offer benefits in terms of time and flexibility, and allowed a wide reach of respondents to be targeted.

Despite these benefits there are also limitations including representativeness of the sample, response rates, and technical limitations (Kaye and Johnson 1999; Kricker and Schonlau 2002; Ganello and Wheaton 2004). To address these limitations, an introductory page was provided to the survey giving clear background to the research and indication of the survey length. Respondents' were targeted via online networks, with series of reminders to prompt responses, but no incentives were offered.

The online survey included closed and open-ended questions to aid analysis and provide distinct data, whilst also enabling scope for deeper insight and alternate viewpoints (Schuman and Scott 1987; Kasunic 2005). The questions were related to the respondent's consumption of short form animation content, their payment perceptions, and their WTP for short form animation content. Questions relating to payment were adapted from Dou's (2004) study on WTP for online content and Ye et al. (2004) study of WTP for Fee-based online services.

The survey also looked at the respondents' motives for consuming short animation online and asked respondents' to rate a series of gratifications items. These gratification items were adapted from previous U&G studies, specifically

studies on Internet (Papacharissi and Rubin 2000; Ko et al. 2005; Sundar and Limperos 2013) YouTube (Harrison and Haridakis 2008), Music (Lonsdale and North 2001), Video Games (Sherry et al. 2006) and Television use (Palmgreen and Rayburn 1979; Barton 2009). These items have been validated within these studies and were deemed suitable due to the similar online context of consumption and similar creative content as the subject of consumption²².

108 responses were gathered (48 insiders, 60 outsiders), with participants remaining anonymous in the collection of data. Responses were exported to excel worksheets for analysis and descriptive statistics are used to report relevant findings and recommendations. Findings show animation insiders display a wider range of motives and gain greater value from the consumption of short form animation, and subsequently a greater WTP and pay more. Therefore, supporting the idea that dynamic pricing may be effective as it can capture audience differences.

However, WTP is shown to be in the minority and on average for small amounts of money. WTP is also strengthened through existing engagement with creators, thus showing established entities are better positioned to elicit value from the consumer. The study continues to highlight the struggles faced by creatives in deriving revenue from original content online and how they must focus on an engagement first strategy before seeking to derive revenue.

This paper was presented at the Arts in Society Conference, Rome and has since been submitted to the Arts in Society Journal.

Social Media and Creative SMEs (Portfolio H, p431)

Social media (SM) is advocated as a tool that can increase visibility and create competitive advantage within digital environments. Despite this, practical experiences throughout this research have discovered that finding resources, particularly time, to deliver a SM strategy difficult. This study sought to explore these issues within the wider creative industries and undertook an online survey to understand usage and perceptions of SM tools.

An online survey was used for the same reasons in terms of flexibility and respondent reach described in the previous study, and thus offers similar limitations.

²² Survey Questions presented in Full Paper (Portfolio G, p399-430)

To overcome these limitations an initial email requesting participation provided clear background to the research, an indication of survey length, and a link to the survey online. Participants were identified via a Twitter Search to ensure those contacted were using at least one social network, those identified were then emailed to request participation. A follow up email was sent one week after the initial request to increase response rates but no incentives were offered. Again, similar to the previous study, survey questions used closed-ended questions and where appropriate questions enabled respondents to elaborate through open-ended responses. These questions were adapted from previous studies into SM usage (Pentina et al. 2012; Li et al. 2013)²³.

A total of 244 responses were gathered, with participants remaining anonymous in the collection of data. Responses were exported to excel worksheets for analysis and descriptive statistics are used to report relevant findings and recommendations. The findings of the study indicate experiences encountered in this research are also evident within the wider industry and highlight a lack of resources as a barrier to more effective SM use.

This study contributes further evidence to the problems creative SMEs face in digital environments and show that while SM tools may appear free and easy to use, effective usage requires greater resource effort than many realise. The study also suggests these situations are likely to worsen as these tools become more crowded and competitive.

Context from the wider industry: Interview Study (Portfolio I, p432)

The insight from this research is largely embodied within work carried out at WÖNKY. Therefore, 11 interviews were undertaken to gather insight from the wider industry. The selected interview participants included two directors of projects undertaken at WÖNKY during this research. The remaining nine were carried out with individuals within small animation studios or in freelance roles. These participants were approached as they were UK based, had all recently produced or were currently producing original content, and also presented similarities in terms of size to WÖNKY. Thus, making the interview subjects highly relevant to this

²³ Survey Questions presented in Full Paper, Digital Appendix H

research study (DiCicco-Bloom and Crabtree 2006) and strengthening the findings presented (Mikene et al. 2013; Doody and Noonan 2013).

Two interviews were carried out face-to-face with the rest carried out via Skype for flexibility, and to provide a comfortable environment for the participants (Mikene et al. 2013; Doody and Noonan 2013). Three of these Skype interviews were conducted with video enabled (initiated by the participants). The remaining 6 interviews were conducted with audio only. Interviews were carried out between 17 June 2014 and 14 July 2014, thus reflect recent experiences within the animation industry.

Before the interviews took place participants were informed they would take approximately 30 minutes and were part of a doctoral research project within the animation industry. They were also told the interviews would be audio recorded for later transcription where identifying information would be omitted so they would remain anonymous. Before commencing the interviews participants were also asked if they had any questions or concerns they would like to clarify before proceeding. The information provided before the interviews ensured the participants understood and were prepared for what the interviews entailed (Doody and Noonan 2013).

The interviews used a set of semi-structured questions that formed the basis of each interview. These questions were prepared in advance with space left to probe, or add questions based on participant responses and their recent work in the industry (Griffie 2005; Doody and Noonan 2013). These questions were based on the limitations and experiences faced in my own work at WÖNKY to ensure data gathered was relevant to the context of this overall research study (Wolcott 1995)²⁴.

Each interview underwent four stages of analysis. Firstly, during each interview notes were taken in response to the key points raised. Secondly, each interview was audio recorded for subsequent playback and transcription allowing for further familiarisation. Thirdly, each transcript was read through with notes added to the margins where key themes arose. During this process key themes were added to a table that grouped together the main findings. Finally, this table underwent a second review to draw common links between each interview and narrow down the key findings. This four-stage process enabled in-depth familiarisation with the data

²⁴ Survey Questions presented in Full Paper, Digital Appendix I

through which emerging themes could arise (Griffiee 2005; DiCicco-Bloom and Crabtree 2006; Mikene et al. 2013).

The findings from this analysis strengthen the contextual background of this research and provide additional evidence of the themes that arise including industry culture, engagement and monetisation.

Limitations

By drawing on the principles of PLR, AR, and case-study methodologies, this study encounters a number of limitations. These limitations occur due to the dual roles undertaken by the researcher:

“if the practitioner is also the researcher, tensions arise in the apparent duality of the role – subjectivity versus objectivity, internal versus external, doing versus thinking and writing, intuition vs. logic.” (Gray 2006, p7).

This may lead to over or under reporting of activities (McIntyre 2006), the influence of subjective and bias within analysis (Darke et al. 1998; Maxwell 2003; Gray and Malins 2007), and be subject to the researchers ability to recall thoughts and feelings (McIntyre 2006).

However, Johnson and Onwuegbuzie (2004), and Flyvbjerg (2006) argue subjectivity and bias is apparent in all types of research, as the researcher is always determining which conclusions to draw and how to interpret data. The same is said for limits with recall, and if scrutiny were to be placed on the recall of practitioners in PLR then scrutiny must be placed on other methods that utilise the recall of others (McIntyre 2006). Bias is tempered by the use of multiple cases and sources of evidence, which ensures conclusions, are not reached early (Eisenhardt 1989). This is the case in this research, which is developed through a series of projects as outlined previously. The interview study in this research also helps reduce these limitations by demonstrating the experiences encountered are evident within the wider industry and not limited to the context of the host company.

There are also pressures relating to the workplace at the centre of the study (Maxwell 2003; Gray and Malins 2007), which is argued to provide limitations in terms of time, personal relationships and financial constraints (Maxwell 2003).

These limits combined with the dual role of research, adds pressure to the researcher in terms of time, alternate commitments, and research expertise (Gray and Malins 2007). Being an industry-based study means this research is open to such limitations.

For instance, the projects that make up this study are limited to those WÖNKY have been able to produce within the limits of their resources and the limits of their interests. As these projects have been carried out within a real-world environment they are also subject to change outside the influence of the researcher. Whilst a reflective look from a theoretical angle may shed light on why certain aspects of projects may or may not have worked, the resource limitations of these studios can hamper the ability to complete a fully iterative cycle in practice. This has led to production on some projects ceasing before they are fully realised, or before some reflective insight can be fully evaluated. The skills and resources available to the SME studio, and of myself, as the sole interactive developer within the company, can also limit what can be done in practice.

Unlike larger enterprises, SMEs face a lack of expertise and resources, meaning they may be unable to capitalise on all opportunities that may arise. This can lead to SMEs being more risk adverse and less likely to experiment with new opportunities (Constantinides 2008; Bulearca and Bulearca 2010; Boyles 2011). Yet, these limitations are reflective of a creative SME working within highly competitive digital environments, which this research seeks to address. To further temper this limitation reference and evaluation is made to other third-party examples to strengthen the insight put forward from practical projects, which are also further strengthened by the research projects.

Statement of Contribution

The combination of these cases and the data collected demonstrate the difficulties faced by creative SMEs in highly competitive digital environments. Practical insight is offered into to how these may be circumvented and highlights the areas where assistance may be required for creative SMEs to further strengthen the creative digital economy.

Whilst the digital environment offers the potential for creative SMEs to prosper from the delivery of their original content, this potential is found to be variable and

unguaranteed. Rather than level the playing field for all creators compete, digital environments are led by rich-get-richer ecosystems that are worsening as these environments become even more crowded. There also appears to be an inherent unfairness in that those best positioned to prosper in these environments are not those who create content, but those who curate, or control access to audiences. Alongside the variable chances of exposure and difficulty in monetising audiences, this means creative practitioners are faced vicious cycles of production when seeking to fund original content.

The knowledge developed within this research comes from a unique perspective developed from direct observations and experience with the very issues that are articulated throughout this thesis. This experience presents an understanding of the methods and practices that may circumvent the limitations of creative SMEs and strengthen their positioning within digital environments. Thus the practical insight offers guidance for those in similar positions and offers knowledge to help them avoid what may be naïve and costly mistakes.

This work also presents a new '*Dynamic shaping of Engagement*', which develops an understanding of engagement relevant to the digital environments. This shaping of engagement as developed so far, introduces the concepts of LE/DE, LEX/DEX and LEB/DEB as part of the engagement construct. Through the discussion of the research findings in the remainder of this document, and the additional insight provided in the accompanying portfolio, this '*Dynamic shaping of Engagement*' is further evidenced in practice.

Findings Overview

The findings of the practical projects and research studies are presented in three chapters. First a chapter on the culture of the industry where this research is situated, which presents the limitations facing companies like WÖNKY in being able to deliver and exploit their own IP. This section is based upon evidence from the practical projects of this research and strengthened with findings from the interview study.

A second chapter on audience and engagement discusses the methods and practices through which engagement can be achieved from the perspective of an

SME. This section also discusses the difficulties faced in attempting to develop engagement and the paradoxes that can arise in its development (referring to the notions of LE/DE, LEX/DEX and LEB/DEB).

The third chapter discusses the methods of monetisation used during this research and draws links between these methods and engagement. This chapter demonstrates the struggles in deriving sustainable revenue in environments dominated by free sources of gratification. The findings in this chapter are based on evidence from the practical projects and two of the research studies: one on crowdfunding and one on engagement and WTP for animation content online.

4. Industry Culture and SME limitations

A lack of support for animation means, “*the UK is failing to capitalise and diversify of its animation talent, culturally and economically*” (Animate Projects 2013, p11). Since 2008 it is reported that 28% of animation companies in the UK are no longer in business or have exited the industry (Kenny and Broughton 2011). Thus, while the UK animation sector represents a highly skilled work force in terms of economic, creative and cultural value (Kenny and Broughton 2011; Animate Projects 2013), it is struggling to sustain or live up to its potential due to a lack of public policy or investment.

Evidence from the Company

These problems are further evidenced using the practical projects undertaken during this research. These projects provide insight into the industry culture and limitations faced by companies, including loss of IP rights, importance of partnerships, and the lack of financial, human and knowledge resources. Findings from the interview study²⁵ (Portfolio I, p432) are also used to show how these problems impact the wider industry.

Working as a Collective

As established earlier, WÖNKY operates as a collective where they draw upon a pool of freelance creative talent to work across their projects. The collective provides WÖNKY with flexibility to shift between styles and scale up or down dependent on the project requirements and budget. Within the collective WÖNKY has a preferred set of creatives they work with, which provides familiarity with work processes and the WÖNKY values of strong character and humour driven design. This flexibility is common within the industry with many companies working as small core teams that bring in additional talent as and when circumstances allow.

“We started to expand and we got another animator involved [...] But then you know the work load kind of got so great, like as the company got a bit more notoriety [...] so that kind of prompted us to actually get a designated producer and now the production team is three” (MA 2014, Telephone Interview, Appendix I.10, Line 54-63)

²⁵ Interview study paper and transcripts from these interviews can be found in Digital Appendix I.

Despite these advantages the collective does have its drawbacks. Firstly availability, as those within the collective work with WÖNKY on a freelance basis and have other commitments outside of the company. This can mean some individuals from within the core collective may not always be available. It can also mean WÖNKY have to look outside of the collectives Bristol/South West focused locale to meet project demands. Whilst this enables WÖNKY to increase the breadth of the collective it can also result in longer projects and increased costs, due to the longer lead time in crewing up and familiarising people with work processes.

Secondly, working with freelancers from the collective also presents issues when linked to the development of original content. As resources for the development of these projects are limited, production is sometimes carried out around the availability of freelancers. This can lead to delays in production, or in some cases projects being abandoned due to the alternate commitments of freelancers. Within *Ace Discovery* the alternate commitments of the projects director after the main production of the pilot episode had ended, meant the development of an online game was initially delayed and eventually abandoned. In this case the director cited an over ambition in his original ideas and subsequent lack of time as reasons for this abandonment.

Finally, as freelancers have no long-term commitment to the company there can also be a lack of desire for them to promote or advocate projects, or the company becomes secondary. This issue has been encountered with *LYHO*, *Ace Discovery* and *Writers' Block*. In the *LYHO* case, those working on the crowdfunded short film were with the company on short-term freelance basis. This limits their desire to become a 'passionate' advocate for the campaign, as their involvement was extrinsic (e.g. being paid), rather than intrinsic (e.g. project stemming from personal desire). This therefore limited the size of the campaigns promotional network to the efforts of myself as the lead campaigner.

In the *Ace Discovery* and *Writers' Block* instances WÖNKY were involved as the production company alongside writing and directing duo Tom Gran and Martin Woolley, who also work under their own creative identity 'Spin Kick Bros'. Therefore, the duo has their own promotional interests at heart, meaning that on occasions the WÖNKY identity and involvement becomes secondary or lost altogether. With *Ace Discovery* for example, WÖNKY as a creative entity are rarely

mentioned in promotional material from Cartoon Hangover and the Spin Kick Bros take precedence^{26 27 28}. Whilst with *Writers' Block* there were examples of the Spin Kick Bros being incorrectly credited for other pieces of work by WÖNKY.

Partnerships

As discussed, working in partnerships can provide advantages and disadvantages when seeking to establish content. Advantages include increasing the pool of talent, as has been the case in the working relationship with the Spin Kick Bros. Advantages also include increasing the possible audience network when launching projects, which will be illustrated in the later discussion on audience engagement (see p111-112). However, as suggested there can be disadvantages when balancing the interests of both parties in the relationship, and also the reduction of rights when partnerships are required to launch projects. The reduction of rights has been seen in both the *iLand* and *Ace Discovery* projects as discussed next.

At the beginning of this research the *iLand* project had gone through an initial development phase supported by the South West Screen 'Multi-platform Content Across Continents' initiative. This initiative provided the first round of funding that allowed WÖNKY to develop a 3-min pilot episode and a series bible detailing the concept, characters, and episode ideas. In the process WÖNKY partnered with Scrawl Studios of Singapore as part of the 'co-production' criteria for the development fund. After the initial development phase the project was pitched to commissioners at industry conferences receiving some interest from broadcasters. During my own involvement, prototypes and ideas for the interactive elements of *iLand* were produced, and the project was pitched at events where the project received interest from a Canadian production company. An agreement with this production company to help launch the project involved another round of pitching, where again interest was found with a number of broadcasters.

However, despite this interest, broadcasters desired changes before any firm or guaranteed interest could be made, specifically wanting to see a full 11-minute episode as opposed to the 3-minute pilot. The development of a further 8 minutes of the episode proved a stumbling block outside WÖNKY's resource limits, especially

²⁶ See: http://advancedsearch.in/search/397260890300309/Cartoon-Hangover/created_time/Ace%20Discovery

²⁷ See: <http://hangover.cartoonhangover.com/tagged/Ace+Discovery>

²⁸ See: <https://twitter.com/search?f=realtime&q=Ace%20Discovery%20from%3ACartoonHangover&src=typd>

in light of the reduction of rights due to the partnerships acquired in attempts to establish the series. Thus whilst these partnerships were important in getting *iLand* as far as it did, they also became a limitation when deciding whether to pursue the project any further.

More partners involved, means less rights for the original creator thus reducing the attractiveness of the proposition and increasing risk. Co-production partnerships and licensing deals mean the original IP creator can lose significant proportions of a projects equity (Leadbeater & Oakley 2001; Kenny & Broughton 2011) as well as losing creative control (Kenny & Broughton 2011).

The *iLand* project illustrates the resource investment SMEs make in developing original IP that can then go unfulfilled. The processes for securing finance can be costly and time consuming, thus difficult for an SME to sustain in light of their resource limitations. Even if this commitment can be sustained SMEs remain vulnerable to acquisition from larger enterprises (Hotho and Champion 2011; Bakhshi et al. 2013), or must relinquish IP to complete projects and bring them to market (Leadbeater and Oakley 2001; Bakhshi 2013). This creates a landscape where the rewards of investment are gradually reduced and SMEs find themselves in the shadows of larger corporations who are better positioned to shoulder risk.

As for *Ace Discovery*, Frederator Studios commissioned the pilot short film for their YouTube channel Cartoon Hangover and obtained the rights for an 18 month period; “*so the deal was as far as like intellectual property goes we signed that over to them, with like I think 18 months for them to follow up*” (Gran 2014, Telephone Interview, Appendix I.2, Line 447-449). Without this commission the project may have never have been realized, or would have taken longer to produce;

“I’d still be doing it, I just probably would have been a lot, wouldn’t of done as much, or gotten as far with it” (Gran 2014, Telephone Interview, Appendix I.2, Line 289-290).

However, the fast pace of digital environments and desire for content on-demand, means the 18-month period where rights are retained is a long time, where opportunities to make the most of a captive audience can pass. The *Ace Discovery* director expressed this when stating it becomes difficult to build a fan base when

content is only commissioned as one-off pilots. This led to a desire for funding that allows creatives to produce a series of artefacts to better demonstrate their talents and audience demand.

I would like to see [...] multiple things from the same artist, or something bigger that would give them a chance to do more of a real story [...] I guess I would like to see the funders put a little more faith in the artists and like do like two or three things and then see how it goes” (Gran 2014, Telephone Interview, Appendix I.2, Line 384-393)

Lack of resources

Time and Financial

Limits on resources have been apparent throughout this research. Whilst there is a desire to produce original content within the company, the ever-present commercial demands means these projects can only be developed when economic or time circumstances allow. This means projects can take much longer than anticipated, or may never be realized at all. This is also the case within the wider industry where persistent commercial pressures and ‘fear’ of where the next-job may come from limits the attention focused on fulfilling creative desires.

I mean everyone gets the fear once you leave university, you get the fear of where your next job is going to come from [...] And as a result you keep telling your self ‘oh, I’ve got, I’ve written a script I’m going to make this thing’, but you don’t! It’s so hard to do it because your just thinking [...] If I bury my head into a film for the next four/five months am I going to get forgotten about?’ (MA 2014, Telephone Interview, Appendix I.10)

Identification of these problems first arose during the *LYHO* project and its crowdfunding campaign. The aims of the crowdfunding campaign were to help circumvent time and financial shortage by raising funds so resources could be dedicated to the production of the projects short film. However, due to an unsuccessful crowdfunding campaign (see p99 and p142-148), the project lacked the funds to enable a dedicated production period. Thus, production was allocated around work-for-hire projects when time allowed and the film was completed a year after its original anticipated release. Similar delays have been seen with other short films carried out by WÖNKY during this research. *The Nether Regions* for example

initially has a seven-week shooting schedule, but in reality took seven months with production occurring when time allowed.

“I started in January filming, but there’s like a, I suppose about 4 months pre-production, and then actually shooting was about 7 months [...] I kind of animated in the morning, actually for the first three months it was full time on The Nether Regions because I think we were kind of quiet then. And then after that we kind of fitted it around work” (Lee 2014, Interview, Appendix I.1, Line 36-45).

These drawn out production process are also seen in the wider industry.

“From actually starting it to finishing it [...] It was maybe two and a half years something like that. But I tried to work out how long I’d spent on it if I had been doing it as a full time job. So if I’d spent, if I had been 9-5 on it every week day, I think it would have cost, it would have taken me about 3 months” (SM 2014, Video-Phone Interview, Appendix 242-246)

Therefore, as stated in the Animate Projects report (2013), creating a situation that is neither desirable nor sustainable if the UK wishes to capitalise on the wealth of animation talent. The drawn out production processes are particularly undesirable in digital environments where consistency can be key in developing engagement. Prolonged development, married with the labour intensive practices of animation, means SMEs can struggle to fulfil the needs of online audiences.

“because of how long animation takes we can’t be very consistent and that’s like one of the most, that’s like the most important ingredient” (TL and SJ 2014, Telephone Interview, Appendix I.4, Line 397-399)

Thus, although the talent may be there, the limiting production processes and changing nature of the digital environments, means it becomes difficult for this talent to showcase its potential.

During this research only *Ace Discovery* and *Writers’ Block*, in terms of original content production, maintained their production schedule. It is unsurprising that both these projects received dedicated funding for their production. *Ace Discovery* commissioned by Frederator Studios and *Writers’ Block* funded by Ideas Tap. This

funding provides the security to be able to commit personnel and a specific period of time to production. Therefore, production becomes more efficient.

Yet, even so the funding provided stretched resources to the limit, if not beyond the scope of the funding provided; “*It cost like 5000 plus a bunch of my own time. So if ‘d been, if I was, if I wasn’t the person making it then it would have cost a lot more*” (Gran 2014, Telephone Interview, Appendix I.2, Line 53-54). Work that exceeds allocated budgets has occurred throughout the projects within this research. For example, while the *Nether Regions* had a budget for production this was allocated to third party services, such as sound design, with in-house support (e.g. director, producer, developer) all provided as in-kind support.

“*All the stuff the was I suppose Miki’s hours and Vicky’s hours of producing and support and stuff didn’t go into it, and everyone like me, we weren’t kind of paid, but like the voice and the [...] D.O.P were paid. But not anyone in WÖNKY, or you working on the App.*” (Lee 2014, Interview, Appendix I.1, Line 26-30)

Despite the *Ace Discovery* and *Writers’ Block* projects meeting their schedules for the production of their respective films, both projects subsequent interactive elements did suffer delays. The interactive elements were developed as promotional materials with the resources to develop them offered as in-kind support factored in around other paid commitments. As already mentioned, with *Ace Discovery* this led to the proposed online game being abandoned, whilst the *Writers’ Block* film App was delivered late due to delays in receiving design assets. Similarly the *Nether Regions* film app was delivered later than planned due to the work commitments of the director. Thus, whilst the build of the App was complete, the delays were the result of waiting for finished design and animation assets. These issues may question whether the additions of the interactive elements were too ambitious in relation to the scope of the company, with ideas above scale.

However, at the same time such projects need to be undertaken if the company is to strengthen its positioning and take advantage of the opportunities in digital environments. Therefore, there must be a careful balance of what is and is not achievable in relation to the time, skills, and talent available, as being too ambitious can see time wasted when projects cannot be fulfilled. This has been illustrated by

the *Ace Discovery* online game and with *iLand* where the interactive elements did not progress beyond prototyping after it was decided to no longer pursue the project.

Unlike planned projects with secure funding, where there are certain criteria and deadlines to meet, self-initiated projects can lack structure, with end points and criteria being more ambiguous.

“I think if it’s a commercial project, someone is paying us to make them something, it takes as long as they say the deadline is and then it gets finished. I think if it’s our own project, then it takes as long as it takes to make it awesome” (TL and SJ 2014, Telephone Interview, Appendix 1.4 Line 255-257)

Therefore secure funding becomes key to delivering on time by providing structure and reducing ambiguity.

“I think money probably has a huge, you know has a huge difference, it makes, its no big surprise is it you give people money and then suddenly they have time to do stuff.” (TL & SJ 2014, Telephone Interview, Appendix 1.4 Line 295-296)

However, access to secure funding, particularly for animation has declined in recent years.

“there used to be various funding bodies purely for animation and one by one they sort of disappeared off the face of the earth” (MA 2014, Telephone Interview, Appendix I.10, Line 320-322)

Even finding funding for smaller projects like short films can be difficult and the funding available is often not enough to cover the cost of investment. Without significant support creatives remain in situations where they continue to struggle and are stretched beyond the limits of their resources. Thus, limiting the industries ability to sustain or live up to its potential.

“If you are going to make that leap you need some sort of incentive. And it doesn’t have to be millions it just has to be realistic, ‘cause people will make things for small amounts of money, but I don’t think it’s right that people should be pretty much driven into poverty” (ST 2014, Telephone Interview, Appendix 1.5, Line 269-272).

Knowledge and Technical

It is not just time and financial resources that become an issue but also technical and knowledge based resources. These limits are recognized in the literature on SMEs adoption of new technologies (Toma and Marinescu 2012; Notta and Vlachvei 2013; Kim et al. 2013). Being an animation-focused company, WÖNKY, before this research lacked the skillset in-house to be able to carry out the technical side of interactive projects. Thus, whilst there are opportunities across digital platforms that are suitable for animation companies to exploit (Kenny and Broughton 2011; Animate Projects 2013), this can be difficult without the additional technical knowledge.

As this research is embedded in the host company the additional interactive skills brought by myself the researcher/practitioner have enabled WÖNKY to take on more interactive projects. Yet, even so these are still limited to the range of my own expertise as the sole developer within the company. Initial design intentions can be hampered by technical skills, for example, with the *LYHO* App Adobe Flash was chosen as a design tool due prior knowledge of the software, thus reducing the production period. Yet, at the time there were limits to the capabilities of Adobe Flash for iOS, meaning ‘workarounds’ must be found or features omitted.

The Adobe Flash platform for iOS has now become more advanced, thus alongside increased technical skills, there is now a greater range of capabilities available. These changes to technical platforms can however bring their own issues, as it often means existing artefacts require updates and bug fixes as systems change. This has been experienced across the suite of Apps developed as part of this research (*LYHO*, *Nether Regions*, *Writers’ Block*, *SMTA*), and as this number of Apps increases so does the amount of time required to implement fixes. In some cases it can take a day or more to understand, implement, and test new changes.

For example, with the *Nether Regions* and *Writers’ Block* film Apps, a conflict with Adobe Flash occurred when the iOS operating system was updated from iOS 6 to iOS 7. This resulted in the App unnecessarily requesting access to the devices microphone²⁹, with time required to find a solution, implement a fix, and submit a new version for review. Therefore, while these App platforms present SMEs with

²⁹ See: <https://forums.adobe.com/message/5654932>

attractive opportunities to exploit their skills and reach audiences in new markets, they can become difficult to deal with. Unlike a film that gets finished, these interactive artefacts have a need for on going updates and fixes, thus continuously stretching resources.

The proliferation of devices, tools, and platforms can also be a problem. Apps developed as part of this research have only been developed for iOS. Therefore, excluding a large section of potential consumers, such as those with Android devices. Android market share has been steadily increasing (Schoger 2013) due to greater openness and affordability of the platform (Evans 2014). Yet, the fragmentation of Android devices can increase development costs and means an Apps performance can be unpredictable, something that is reduced by the iOS platform (Evans 2014). Compared to iOS, which has about eight devices to consider, Android has hundreds if not thousands (Dredge 2013). One press report stated that Animoca, a Hong-Kong based developer, tests across 400 separate devices (Cutler 2012). While this report goes on to state that other developers describe only using 50 devices, even this figure can be out of scope for much smaller development teams starting out in the app market (Dredge 2013; Evans 2013).

Therefore, at the beginning of the App markets existence when there was less fragmentation (e.g. only iOS devices to consider), development may have been attractive with a more level playing field for SMEs to compete. However, as these markets have become fragmented and different platforms are introduced it becomes harder for SMEs to enter the market, compete, and reach the total potential audience.

Social media (SM), which is argued to be important tool for growth in digital environments (Harris et al. 2012; Schaffer 2013), also has its resource challenges (Bulearca and Bulearca 2010; Abeysinghe and Alsobhi 2013; Stockdale et al. 2012). It is argued that businesses often mistakenly view SM as free or easy-to-use. This was found in the study of creative SMEs SM use³⁰, where respondents agreed that SM is both easy-to-use and easy to become skilful at³¹. However, Baumann and Rohn (2014) argue that although seeming straightforward, SM requires the full commitment of company's resources. Bulearca and Bulearca also state SM *“requires time to develop relationships, as well as commitment, people, finance and*

³⁰ Online survey questionnaire with 244 respondents. See Digital Appendix H for full paper.

³¹ $M = 3.8$ and $M = 3.4$ respectively. 5 point likert scale 1 = Strongly Disagree / 5 Strongly Agree

management buy-in” (2010, p300). As such companies often lack formalized SM strategies (Abeyasinghe and Alsobhi 2013; Baumann and Rohn 2014) which leaves them at risk of making mistakes, or being left behind the competition (Harris et al 2012; Ressel, 2012)

In the survey undertaken during this research, only 25% of companies³² reported having a SM policy, and despite viewing SM use as important³³ allocated little time³⁴ or financial resources on its development (Figure 10). Thus, overall the SM audiences established by responding companies were low³⁵ and time was often cited as a barrier to development.

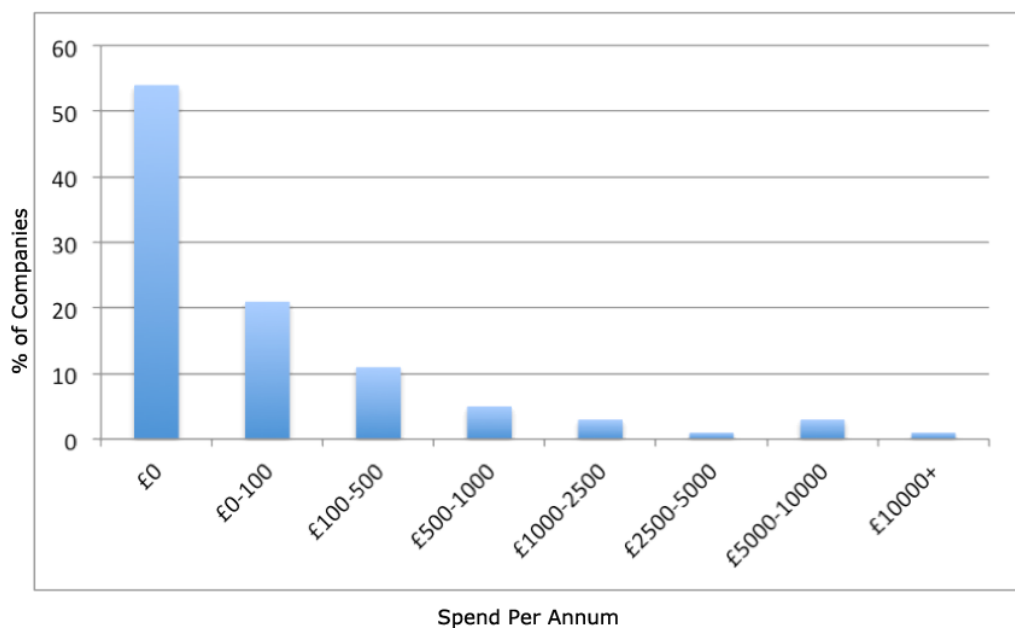


Figure 9: Amount allocated to SM

This insight is further evidenced in the interviews where a lack of time and knowledge were argued to prevent greater use.

“just time. Time to keep up with it all” (TT 2014, Telephone Interview, Appendix I.6, Line 218)

“we use twitter and all that stuff to try and get people but we’ve got a few followers for our website. But probably, don’t know how, the right channels to go through”. (Lee 2014, Interview, Appendix I.1, Line 94-95)

³² Survey included 99 company respondents.

³³ Agreement with the statement *“Social media is an important part of the companies networking and promotional strategy”*. $M = 4.32$ based on 5 point likert scale 1 = Strongly Disagree / 5 Strongly Agree

³⁴ $M = 2.1$ hours per week,

³⁵ Twitter Followers $Mdn = 422.50$, $SD = 3540$

Similar experiences have been encountered in my own practice of establishing SM audiences for WÖNKY and the *SMTA* project. Finding time to manage SM accounts can be difficult in light of other work commitments. The ‘always on’ nature of SM can increase these demands and place a distracting strain on resources. This can make it hard to create the conversational tone advocated on these platforms (Constantinides 2008; Gligorijevic and Leong 2011). There have also been issues of what to post and when to post, as well as a lack of content to post consistently.

Over a week up to a full day can be taken up managing social profiles. Even this estimate comes with a view that even more time could be allocated to get the most of SM platforms. Thus it becomes clear, that with the consideration of time needed to maintain these platforms SM is not a ‘free’ tool.

Summary

The above discussion illustrates some of the issues creative SMEs face despite the advocated opportunities and benefits associated with digital platforms. These opportunities are often regarded as being able to level the playing field for SMEs. Yet, challenges still exist and will continue to exist as these platforms become more crowded and fragmented, which in turn increases the need to harness such opportunities.

The discussion also indicates the various roles those within SMEs must undertake. The limit on human resources means each individual can be required to fulfil multiple roles (e.g. designer, developer, marketer), running the risk of lower performance in roles outside the area of expertise (May 2007; Jones and Rowley 2007). Thus, the added complexity of digital environments disadvantages SMEs due to the range of specialist skills that can be required, but limited staff to fulfil them.

If the government views the creative industries as important for growth in the UK, it becomes evident that SMEs require greater support not just in terms resources for developing projects, but also support in the form of skills and knowledge training so they can make the most of tools such as SM. This support can help SMEs find the time for efficient project development and gain the skills to get projects to audiences once they are produced.

5. Audiences and Engagement

The ability to engage audiences can aid SMEs in circumventing the limitations described in the prior section and strengthen their positioning in digital environments. This chapter begins by introducing the engagement paradox, which faces SMEs when beginning to build engagement, due to resource limitations and lack of content precedence. Next, the methods and practices that can be used to counteract this paradox including curation, social media (SM), user generated content, and partnerships are discussed. These findings are drawn from the practical experiences of this research and evidence from the research studies.

This chapter explains how these methods can build engagement, but also discusses how they can add to the engagement paradox and present vicious circles for SMEs that are hard to break. These aspects refer to the shaping of engagement established in the theoretical background, showing how DE/LE, DEX/LEX, and DEB/LEB can occur and relate to each of the practices addressed.

Together this chapter presents insight into the struggles SMEs face in highly competitive digital environments, leading to the finding that these environments have rich-get-richer dynamics present. These dynamics make it hard for SMEs to compete and means their creative efforts are at risk of being exploited to the benefit of established enterprises who ‘hold the keys’ to audience attention.

The Engagement Paradox

Existing discussions on engagement often refer to cases from larger or established enterprises (McAlexander et al. 2002; Cova and Pace 2006; Jenkins 2006; Jenkins et al. 2013). As discussed, these enterprises have a greater pool of resources and existing audience, which provide a solid foundation to build engagement upon. For example, McAlexander et, al. (2002) draw upon cases involving Harley Davidson and Jeep owners in a discussion of Brand Communities, whilst Jenkins et, al. (2013) often refer to established cases to illustrate examples in their discussion of ‘Spreadable Media’.

In opposition, little is written on establishing engagement and engagement practices for SMEs with limited resources. SMEs with their unique characteristics in terms of resource poverty and lack of established content precedence, can struggle to

ignite audience engagement and face an engagement paradox. The existence of which was first encountered with the *LYHO* project and its crowdfunding campaign³⁶.

Laugh Your Head Off

The crowdfunding transaction requires the consumer to determine enough value from the proposal of a creative artefact to motivate them to contribute towards the project. In terms of *LYHO* the creative artefact was the production of the short film ‘Why Did The Chicken Cross The Road?’ (*WDTCCTR?*). However, as the short film was yet to be made signals of quality are hard to determine. The nature of a short film as an experience good means its value is subjective and must be determined in use (Botti 2000). Therefore, with limited resources to create either the short film, or additional content to engage the consumer in the project idea, it became hard to motivate the consumer to help fund the film.

Without the necessary content stimulus the engagement paradox arises, which is referred to here as the *vicious circle of (non) engagement* (VCO_nE). The VCO_nE comes into play when audience engagement is sought to establish one’s identity and circumvent the limitations of one’s own resources; yet, to generate this engagement a content stimulus, and thus the resources to produce them are required, creating an issue of which comes first. For an SME attempting to launch a project, creating and sustaining this content stimulus can be difficult in light of the consumers’ proliferation of choice and consistent demands for content. The consumers’ resistance to be the first to act further strengthens the VCO_nE. An appearance of inactivity reduces the attractiveness of participation (Clement and Schaedel 2010), thus creating a need for user activity to sustain subsequent user activity. This again creates issues of which comes first, creating a VCO_nE that is hard to break.

In crowdfunding, potential backers look for evidence of content precedence to address the content stimulus part of the VCO_nE. Evidence of content precedence considers evidence of existing work by the campaigner, which helps develop trust in a campaigners capabilities, thus aiding investment decisions (Steinberg 2012a; Cardon et al. 2009). In relation to *LYHO*, there was little content precedence as the short film was the first major creative artefact for the project. Whilst WÖNKY had an existing body of work, this was not made clear with the WÖNKY identity placed

³⁶ See: <https://www.indiegogo.com/projects/why-did-the-chicken-cross-the-road>

behind that of *LYHO*. Without clear evidence of content precedence potential backers can lack the required engagement to motivate the crowdfunding transaction. These issues are elaborated in the later chapter on monetisation (see p147).

To overcome the inactivity part of the VConE in crowdfunding a producers 'First Degree Network' is argued to play a key role (Mollick 2012; Rocket Hub 2011) The 'First Degree Network' is described as a producers friends and family (Rocket Hub 2011) who can provide a campaign with an initial boost of activity. This 'friend funding' phase works as individuals within the 'First Degree Network' have DE with the campaigner by default. Due to the personal connection there is a long-term trusting relationship already established (RocketHub 2010), through which their engagement is built, rather than through the creative content. While the *LYHO* campaign did generate some investment from the 'First Degree Network', the size of this network was not sufficient for the funding goal, as will be discussed in the chapter on monetisation (see p141).

Therefore, the need for established networks, identity, and content precedence shows evidence of the VConE within crowdfunding; without the resources to produce content audience engagement is sought, yet without the content to produce engagement consumers are likely to seek alternatives.

Show Me The Animation

The engagement paradox has been encountered in other projects within this research. For example *SMTA*, which sought to utilise user submissions to reduce the burden of resources and maintain regular content delivery. However, while the project stemmed from an existing offline local networking community, its online platforms were being established from scratch. Thus initially, the project risked encountering the VConE, as it lacked a large audience base or awareness of the projects online platforms. With an initial lack of content, or audience, the value of participation is limited (Rashid et al. 2006) and an appearance of inactivity is likely, thus further discouraging participation (Clement and Schaedel 2010). To overcome this, the early development of the website focused on self-sourcing the projects content to build a content foundation and quell the VConE.

During the first year of developing *SMTA* online, the need to self-source content was apparent. Yet, as the site has grown and established an audience, the need to

self-sourced content has reduced. The website's 'Student Showcase' section, which features a different student film weekly, now has a waiting list of user-submitted films. The 'Pick of the Day' section, which aims at featuring an animated short film daily, while still requiring the self-sourcing of content (due to frequency of updates and quality criteria), now also receives regular submissions.

The self-sourcing of content shows a need for an initial outlay of resources, particularly time, in overcoming the VCOE. The contribution of time shows not to expect too much from the audience too soon, which may have been the case with *LYHO* and *Ace Discovery*, as discussed later (see p117-120). The patience of self-sourcing content has been rewarded with the growth and participation of the audience over time. The regular posting of content has reduced the appearance of inactivity, attracting audience attention and increased the value of participation. The regular posting of content builds on the idea of 'engagement stacking' introduced in the theoretical background, where the consistent delivery of content can help develop engagement. Consistency of delivery allows the consumer to learn to trust in the producer as a key source of information, which can move engagement from LE to DE. Next, this discussion of the practices that can overcome the VCOE continues beginning with curation.

Content Curation

The regular posting of content on *SMTA* has been made easier due to content being *curated* rather than *created*. As the project collects together content produced by others rather than producing content of its own resource demand is much lower (Fern 2012).

Content curation is not just beneficial to a creator but also the audience; "*well done curation is a huge value-add in a world where unfiltered signal overwhelms noise by an ever increasing factor*" (Rosenbaum 2010, para. 13). The vast amounts of information within digital environments are leading to attention shortages (Rosenbaum 2011), therefore, creating a need for curators who can sort the wheat from the chaff and signal quality (Zhong et al. 2013; Rotman et al. 2012). This is part of the reasoning behind the development of *SMTA*, which aims to showcase high quality animation content, filtered from the abundance of content that proliferates digital environments. The curation process on *SMTA* results in majority

of user submissions not getting published. Scime argues (2009, para. 11) “*mass quantity does not equal quality*”, thus if every submission were to be published then *SMTA* would only add to the problem of ‘noise’ in digital platforms rather than helping to solve it.

By curating the content of others *SMTA* is able to maintain a steady stream of content delivery. This again points us towards the notion of ‘engagement stacking’. The regularity of content posted to the *SMTA* website (even if they are sometimes short LEX articles) helps build consumer trust, increasing their engagement and providing reasons for return visits (Scime 2009; Fern 2012). We can see similar instances on top content websites. Buzzfeed for example, provides consistent delivery of light content aimed at the ‘bored-at-work’ and ‘bored-in-line’ readers (The Guardian 2013), which is designed to be short, easily digestible, and shareable (Rowan 2014; Choe 2014). The short nature of these articles and the frequency of delivery link them to LEX; they are quick to consume and consumers can stack these together to build a greater DE with the Buzzfeed brand.

Short LEX articles on Buzzfeed are now also being coupled with longer DEX articles covering news and politics (Burrell 2014), which creates the balanced engagement diet of both LE and DE. Talking about Buzzfeed’s success co-founder Jonah Peretti (The Guardian 2013) argues the site creates a ‘Paris Café’ experience where at one moment you may be consuming a deep philosophical text, the next reaching down to pet a cute dog. The mixture of content creates a rounded experience that does not arbitrarily separate silly or serious content, but recognizes the multiple dimensions of people’s interest (Choe 2014). On Buzzfeed, consumers are able to find both light funny and sometimes evanescent content, as well as deeper content with serious journalistic credibility (Rowan 2014; Burrell 2014).

However, the popularity of Buzzfeed is still driven predominantly by its LEX list articles (Issac 2014), which are usually based around specific themes using images curated from across the web. These meet an online consumers desire for quick to consume snack like content (Shao 2009). This may suggest that digital environments are set up for LEX rather than DEX, which makes it difficult for DEX producers to compete, as they cannot meet the frequency of content delivery LEX affords.

“Shallow stuff becomes popular. The stuff that you can just watch quickly and get, and just get it and just be like that’s funny and not really care about it again” (Gran 2014, Telephone Interview, Appendix I.2 Line 382-384)

The reduced resource demands of delivering curated content has meant establishing an audience around the *SMTA* project has been easier than establishing one around *WÖNKY* (Figure 11) where content is created. While a stacking process of engagement can be pursued for *SMTA* due to curation, it is more difficult for *WÖNKY* through content creation. Therefore, questioning whether online there is more value to be derived through curating the content of others than in the creating original content.

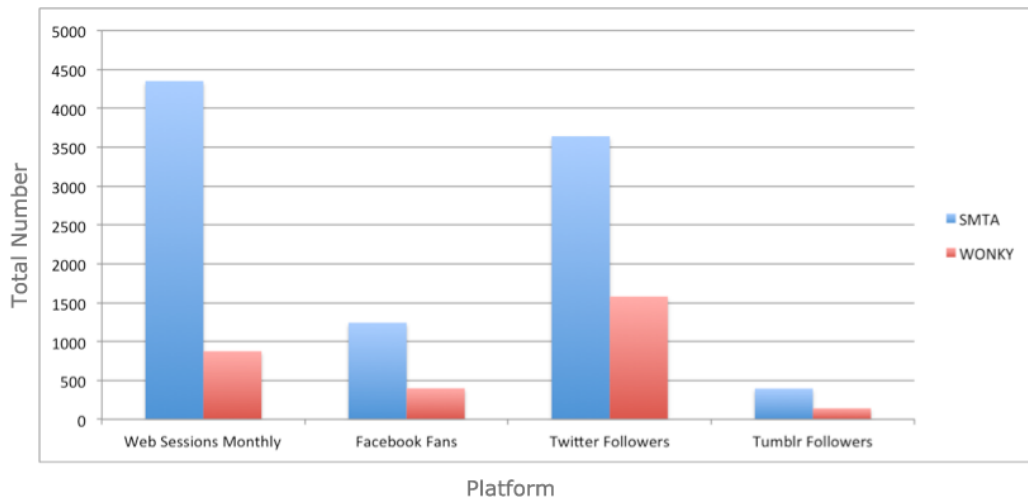


Figure 10: *SMTA* vs. *WÖNKY* Audience Comparison³⁷

This presents a problem for SMEs seeking to establish content in digital environments as the drawn out nature of original content production means it can be difficult to maintain consistent delivery. While in tandem, production materials from work-for-hire projects do not always lend themselves to being shared (e.g. due to client restrictions, or nature of content). As a result SMEs may struggle to provide a content stimulus with enough frequency to break the VConE.

This meant the initial development of *WÖNKY*’s online platforms (e.g. social networks) was tentative, due to not knowing/not having content to post. However, due to the success of the curation approach shown in establishing *SMTA*, the content delivery strategy for *WÖNKY*’s online platforms, like Facebook and Twitter, now

³⁷ Data obtained from Google Analytics, Facebook, Twitter and Tumblr. Correct as of 27 August 2014. Web sessions data for 1 month 26 July – 27 August 2014.

utilises curation alongside creation. This allows activity to be maintained on WÖNKY's online platforms even when there is a lack of original content to post. Thus, curation can be used to temper the VCOE by reducing the resource pressures of producing original content.

By curating content relevant to WÖNKY's desired audience (e.g. animators/creatives), WÖNKY can be seen as an expert in the field and build trust with its audience (Scime 2009; Fern 2012). The curation approach also allows WÖNKY (and *SMTA*) to gain the attention of the third party source, which may lead to new audience relationships (Fern 2012). For instance, each week a different animated film is featured across WÖNKY's social profiles as a 'Weekly WÖNKY Wonder'. By linking to the third-party director WÖNKY is able to gain their attention and increase reach with wider audience (e.g. through retweets/reshares). This is similar to the 'Pick of the Day' and 'Student Showcase' features on *SMTA*, which are often reshared by the original content creator, multiplying visibility and engagement (Figure 12, Figure 13). The reshare by the original creator establishes a bridge of trust between the wider audience and *SMTA* by placing a first-degree link between the content. These first-degree links are seen as more trust worthy as they stem from a connection close to the consumer (e.g. friend or family) (Constantinides 2008; Bulearca and Bulearca 2010).



Figure 11: 'Student Showcase' post shared by original creator on Facebook³⁸

³⁸ Screenshot taken 1 September 2014.

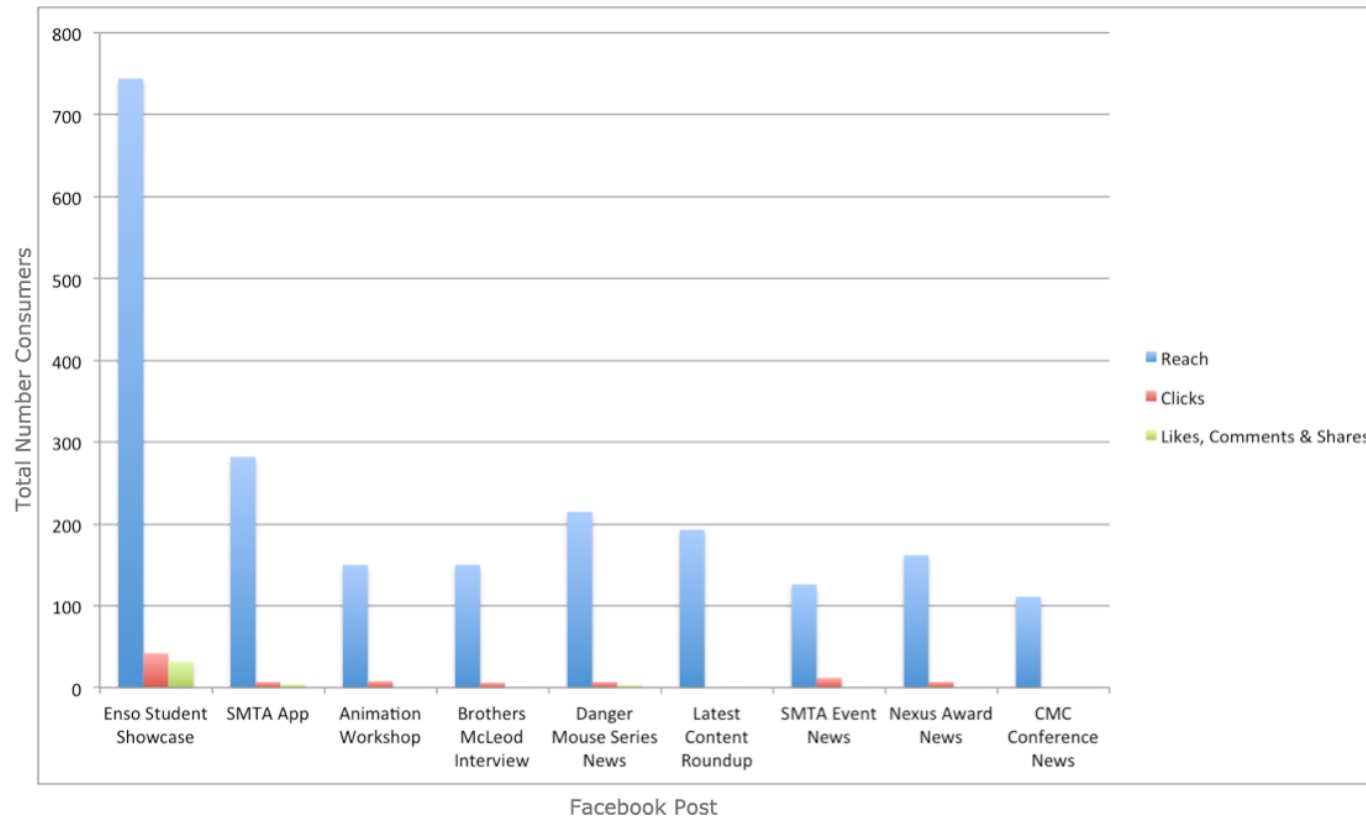


Figure 12: Enso Student Showcase Facebook post comparison.³⁹

³⁹ Data obtained from Facebook Insights. Shows 4 most recent posts before and 4 most recent after the Enso post.

Thus, curation platforms like *SMTA* can become important for creators like WÖNKY in getting their work seen by audiences;

“what I’ve found more successful is for example when you uploaded it to Show Me The Animation we could see that you know the progress, because I think its very important that you get your work not just on your Vimeo account, unless you are a famous animator you know, but have it on animation platforms, or you know blogs” (AM 2014, Video-Phone Interview, Appendix I.9 Line 170-175)

This is seen in the online release of WÖNKY’s short film *Writers’ Block*, which benefited from being featured on curated platforms such as ‘Vimeo Staff Picks’ and the short film website ‘Short of the Week’. These ‘curated’ features provided additional attention that has seen the short film accumulate over 50,000 views. This boost is illustrated in figure 14, which shows the top websites where the short has been ‘curated’. Similarly WÖNKY’s short film *The Nether Regions* was also selected as a ‘Staff Pick’, helping the film achieve over 100,000 views.

Being featured on curated platforms means content creators can benefit from the DE established by others. ‘Vimeo Staff Picks’ for instance is a channel on the Vimeo video platform that features the best films uploaded to the site. The channel has over 140,000 followers and is curated by four full-time Vimeo staff who select five videos a day to feature on the channel (O’Falt 2014). The success of the Vimeo staff in delivering on this promise creates trust between their followers leading to a quality of views that aids in letting the films go ‘viral’ (O’Falt 2014). This quality of views is also seen in the figures indicated by the ‘Short of the Week’ embed loads vs. embed plays (Figure 14). The close tally between the two indicates the DE consumers have with ‘Short of the Week’ and the trust placed in the sites curators to *“promote the greatest and most innovative storytellers from around the world”* (Short of the Week 2014, para 1).

URL	Total Loads	Total Plays
<i>UNKNOWN</i>	47629	10929
<i>shortoftheweek.com</i>	10405	9704
<i>safe.txmblr.com</i>	14620	963
<i>ronorp.net</i>	13871	252
<i>broadsheet.ie</i>	12462	180
<i>onanimation.com</i>	8819	446
<i>laughingsquid.com</i>	7999	511
<i>io9.com</i>	6514	1573

Figure 13: Writers' Block Top URL Embeds⁴⁰

These curated platforms thus provide reach that SMEs cannot obtain alone. This is shown in Figure 15, which indicates the viewing statistics for *Writers' Block* and *The Nether Regions* up until being selected as a staff pick, and seven days after becoming a 'Staff Pick'. These figures show the significant effect curated selections can have on views. Becoming a 'Staff Pick' adds to the films credibility and provides a 'stamp of approval'.

	Views	Comments	Likes
<i>Writers' Block: Pre Staff Pick</i>	5193	10	109
<i>Writers' Block: Post Staff Pick</i>	24389	5	575
Increase (%)	+369.65	-47.36	+427.52
<i>Nether Regions: Pre Staff Pick</i>	1565	12	93
<i>Nether Regions: Post Staff Pick</i>	78588	12	550
Increase (%)	+4921	0	+491.4

Figure 14: Writers' Block and Nether Regions Pre/Post 'Staff Pick' Views⁴¹

So far it can be seen how using curation and being curated can help in overcoming the VCOE. However, curation also raises issues of who benefits the most out of the talent pool of creativity. Curation cannot exist without creation (Rosenbaum 2010), which presents copyright and ownership issues (Bruns 2003), especially when curated platforms may profit from the work of others.

Yet, as seen above these curation platforms can offer something back in return, attention. Without attention the content has no value (Rosenbaum 2011), and is

⁴⁰ Data obtained from Vimeo Stats. Correct as of 29 September 2014.

⁴¹ Data obtained from Vimeo Stats.

essential for the consumer to be able to determine and co-create value (Vargo and Lusch 2007; Payne et al. 2008). Content curators tend to ‘hold the key’ to consumer attention, which can be important for getting work seen in highly competitive digital environments. For the consumer curated platforms reduce the uncertainty of consumption, which has become important in digital environments due to the wealth of available information. Faced with a wealth of information consumers become wary of the content they consume due to a proliferation of content that may be deemed ‘nothing special’. This may then limit the consumer’s sources of consumption as they attempt to reduce risk, which can make it difficult for ‘new’ creators to break into the consumer’s realm of attention.

Curated platforms can thus become a ‘haven’ where the consumer limits attention as they indicate where the quality is (Bhargava 2009; Zhong et al. 2013), and engagement lies with these platforms or in relationships with the medium rather than the creators themselves. This however makes it difficult for the benefits of engagement transition back to the content creator.

For example, the *Writers’ Block* case provides mixed results in terms of engagement returning to the original creator. One success has been the attention gathered by the short film leading to a YouTube Licensing agreement with short film distributor Future Shorts⁴², who offer the original creator 50% of advertising revenues. However, in instances of Future Shorts featuring the film the original creator is poorly credited (Figure 16, Figure 17). While the names of the directors are mentioned there is no mention of WÖNKY’s involvement at all. There are also no links that make it easy for the consumer to transition their engagement and view more work.

⁴² The Future Shorts distribution deal also includes Writers Block being featured in British Airways in flight entertainment.

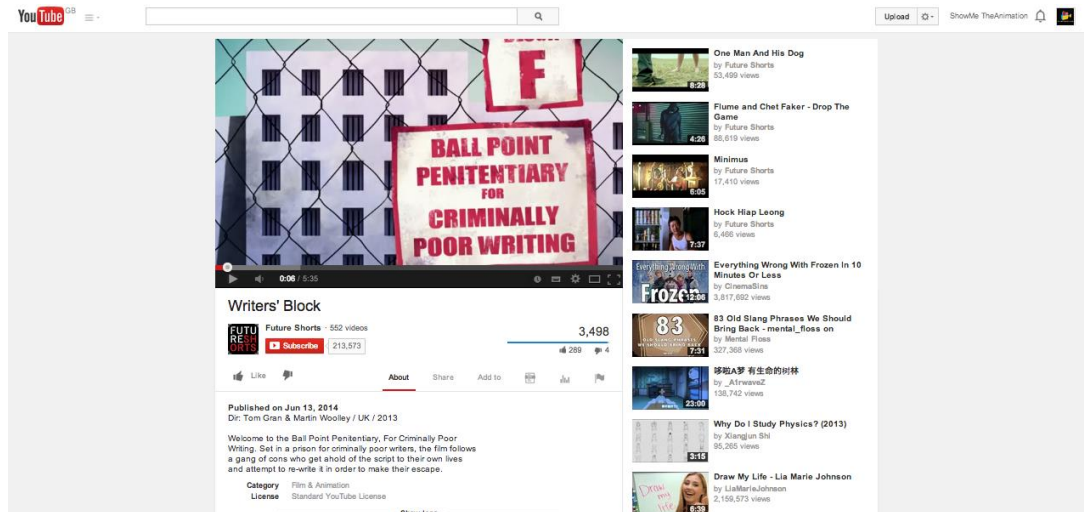


Figure 15: *Writers' Block* on Future Shorts YouTube⁴³

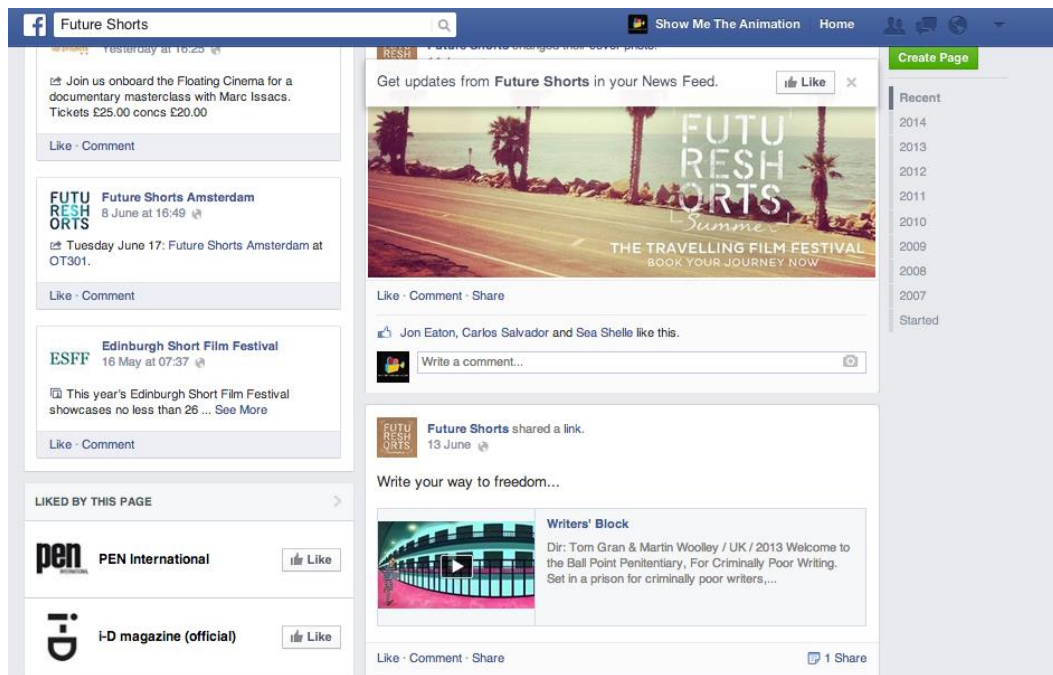


Figure 16: *Writers' Block* on Future Shorts Facebook Page⁴⁴

The competitive nature of digital environments means curated platforms become relied upon and the open sharing culture, where works can be embedded, is viewed as a benefit towards gaining exposure. Yet, as work gets shared across websites and SM, they become removed from their original context. Information that can direct the audience towards continued engagement with the original content creator becomes removed (e.g. SM links, web portfolio links). Thus, limiting the ability for

⁴³Screenshot taken June 20 2014. See: <https://www.youtube.com/watch?v=zDVVY0V2Qw4>

⁴⁴ Screenshot taken June 20 2014. See: <https://www.facebook.com/pages/Future-Shorts/15917319597?ref=ts>

the consumer to connect content to the creator and limiting what can be utilised as an engagement foundation for future original content.

For example, there has been no significant increase in the growth of WÖNKY's SM audiences around the dates of *Writers' Block* and *Nether Regions* online releases, despite the attention generated by the short films (Figure 18). In cases where the short films have been featured on these curated platforms the engagement behaviours often remain upon those platforms, with comments, tweets, likes, et cetera redirecting people back to those platforms. This is of course what these platforms want, as they wish to retain the audience and the value they can provide (e.g. further growth through WOM and monetisation potential through advertising). This can lead to creative SMEs remaining in the shadows of these curators and larger established enterprises. These parties 'hold the key' to attention and can exploit the creators desire for exposure, and use the content of creators for their own gain.

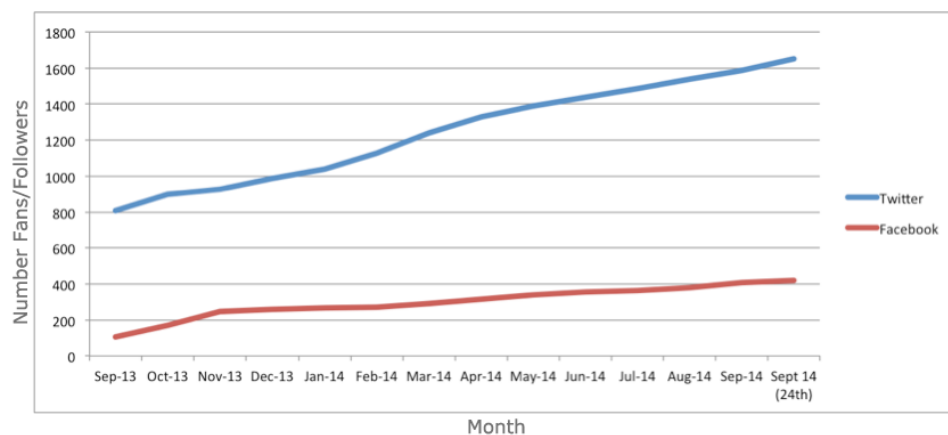


Figure 17: WÖNKY SM growth.⁴⁵

Audience Foundations and Social Media

SM is advocated as an important tool for attaining visibility and engaging with audiences in digital environments (Kaplan and Haenlein 2010; Bulearca and Bulearca 2010; Gligorijevic and Leong 2011; Harris et al. 2012). A strong social network can provide a solid foundation to launch new projects and provide an initial boost of attention.

The benefits of a strong audience foundation is seen in the *Ace Discovery* short film pilot, which was commissioned by Frederator Studios for their YouTube

⁴⁵ Data obtained from Social Bro and Facebook Insights. Period collected September 2013 – July 2014.

channel Cartoon Hangover. The backing of a more established enterprise in terms of Frederator Studios/Cartoon Hangover provides a much stronger audience foundation and existing engagement to launch upon (Figure 19). Cartoon Hangover also provided additional resources through SM promotion pre and post launch. This led to short film pilot receiving over 500,000 views, significantly more than the other short films released by WÖNKY.

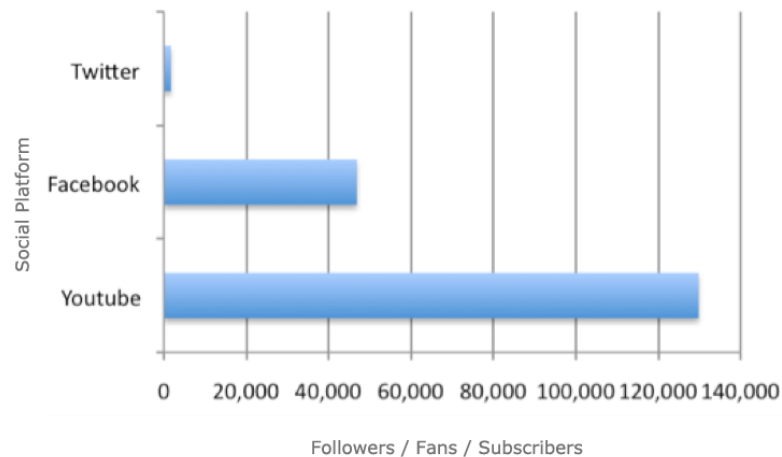


Figure 18: Cartoon Hangover Audience⁴⁶

Without the additional reach offered by larger enterprises or curated platforms, creators are limited to the exposure that can be attained through their own networks. Therefore, it becomes important to ensure as many of those involved in production are available to aid promotion and increase the audience foundation. This is evidenced in the online launch of *Writers' Block* where the films co-directors and creative friends, who were involved in production, all contributed to the initial promotion of the film alongside the networks established by WÖNKY (Figure 20). This gave the short more views in its first day ⁴⁷ (1490) than *WDTCCTR?* has generated overall (812 ⁴⁸), and nearly as much as *The Nether Regions* had attained before becoming a 'Staff Pick' (1565).

The increased social capital seen in the promotion of *Writers' Block* works like the kick-start of funding friends provide in crowdfunding. The initial boost of views can give the film an appearance of credibility and bring it to the attention of others. In particular, creating this initial boost can aid a film in gaining critical mass and

⁴⁶ Correct as of February 2013 when Ace Discovery was commissioned

⁴⁷ The first day tends to provide the most focused period of promotion and sharing.

⁴⁸ Correct as of 24 August 2014.

bring it to the attention of curated platforms like ‘Vimeo Staff Picks’ (Allen 2011). For example, *Writers’ Block* was selected as a ‘Staff Pick’ within the seven days of its release, whilst it took 14 days for *The Nether Regions* to be selected.

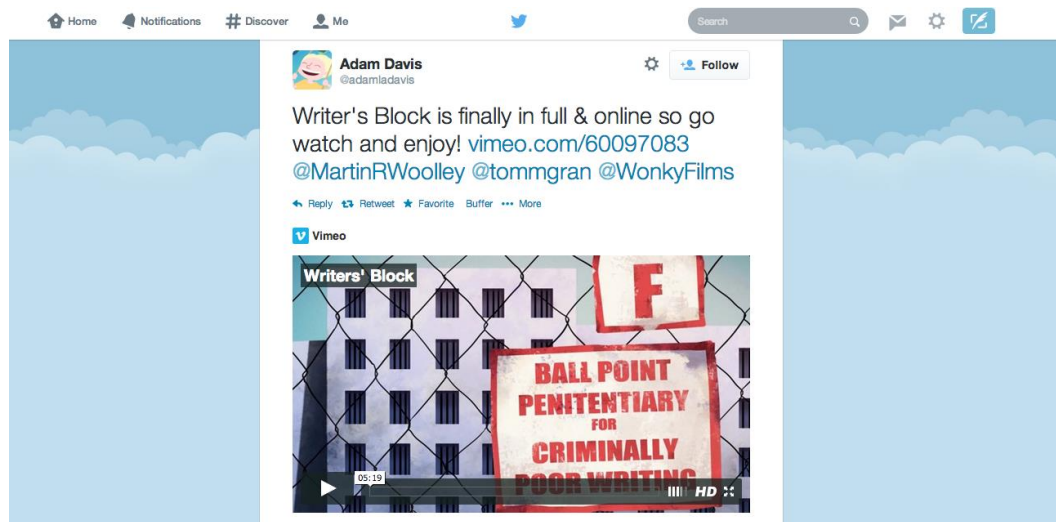


Figure 19: *Writers’ Block* background artist aiding online promotion⁴⁹

Interestingly *Ace Discovery* and *Writers’ Block* were written and directed by the same creative duo (Spin Kick Bros), and *Writers’ Block* was released online after *Ace Discovery*. Thus, despite the same creative talent being behind the production of each, differences in the viewing figures (*Writers’ Block* = 55,915; *Ace Discovery* = 591,204) show how SMEs cannot compete on the same level as larger established enterprises. Rather than digital environments levelling the playing field for enterprises of all sizes to compete, resources rule success. This indicates towards rich-get-richer dynamics where larger enterprises can utilise expendable resources to accelerate success and attain visibility in competitive environments. With *Writers’ Block* being released after *Ace Discovery* we also see the lack of transitioning engagement, with those consuming *Ace Discovery* in the context of the larger enterprise (Cartoon Hangover) not transitioning to WÖNKY for future consumption.

It is argued SMEs may lack the resources including time and knowledge in being able to execute SM (Boyles 2011; Kietzmann et al. 2011; Michaelidou et al. 2011; Sachaffer 2013). Difficulties with SM were previously introduced in the Industry culture chapter (see p95-96), which referenced the study⁵⁰ undertaken during this research that explored SM use within creative companies and by individual creatives.

⁴⁹ Screenshot taken 30 April 2014 from <https://twitter.com/adamladavis/status/453527828320227328>

⁵⁰ Online survey questionnaire with 244 respondents. See Digital Appendix H for full paper.

Results of this work showed perceptions of SM being easy to use, which might demonstrate a sense of naïveté in terms of what is required to gain value from SM. Efficient use takes time and resource dedication (Bulearca and Bulearca 2010) that involves more than setting up a profile (Ressel 2012).

A lack of personnel in SMEs can mean individuals have to carry out tasks that they may not be expert in (e.g. marketing). This can lead to SME marketing being haphazard and informal (Gilmore et al. 2001), as seen in the limited resources dedicated to SM and few companies reporting having a SM policy (see p95-96). The survey results back up existing research that argues SMEs lack the resources to effectively manage SM. Time was cited as a barrier to greater use, which leads to the finding that the more you put in, the more you got out. For example, hours spent on SM correlated with increased Twitter followings⁵¹.

“To effectively follow and use social media can be a challenge, and it is likely that many firms initially won’t have the talent or capabilities to succeed” (Kietzmann et al. 2011, p249).

Thus, it is likely larger enterprises will be better positioned to take advantage of SM tools, due to increased personnel and time resources to allocate to its use. This coupled with the limited effect increased SM followings have had in driving visibility towards the Apps released during this research (see p132), questions whether SM is worth the resource investment for SMEs. If SMEs are unable to develop significant followings the resource effort allocated to SM may be best spent elsewhere.

The need to create significant followings to drive effective SM use is seen in the small number of users who are active at any one time (Figure 21, Figure 22). Thus only a small percentage will see messages posted due to the short life of content on the platform (Wharton 2013).

⁵¹ ($r(244) = .232, p < .05$).

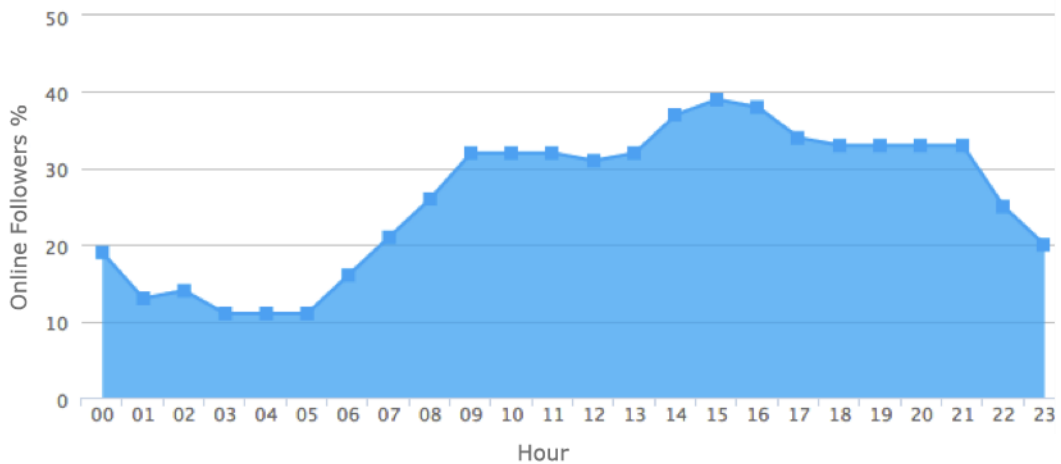


Figure 20: SMTA percentage of active Twitter followers per hour (GMT)⁵²



Figure 21: SMTA number of Facebook fans active per hour (GMT)⁵³

Despite growing the SMTA Facebook page to over 1,000 fans the amount of fans that actually see posts has not increased since having 500 likes. This has been due to changes to the Facebook algorithm, which deals with cluttered news feeds (Cohen 2014). These changes have seen post reach falling from approximately 40% of the pages fans to just 15%⁵⁴. It is argued the changes lead to posts being seen by a core group who is more engaged with the content (Cohen 2014), thus producing quality over quantity of reach. However, this limits the ability to re-engage users outside this core group without the need for paid tactics such as promoted posts (Delo 2013; Cohen 2014). Also despite the suggestion that these changes may lead to increased engagement (e.g. clicks, comments, likes) little difference has been seen over time and even potential decreases shown between 2013 and 2014 (Figure 23).

⁵² Data obtained from Social Bro. Average over 1 week period. Correct as of 27 August 2014.

⁵³ Data obtained from Facebook Insights. Average over 1 week period. Correct as of 27 August 2014.

⁵⁴ Posts in June 2014 reached an average of 166 people, 14% of the pages current likes. In comparison posts in April 2013 reached an average of 216 people, 43% of the pages likes for that time period

While SM audiences have increased the likelihood is those audiences are also following or liking a greater number of accounts. Therefore messages are competing against an increasing amount of content and acquiring attention gets increasingly difficult over time (Constine 2014). It can be seen that companies need to establish large followings to gain visibility and those with the financial resources to promote posts have an advantage. The ability of SM to provide a level playing field for companies both large and small to compete is therefore diminished.

The commercial imperatives of SM platforms and their need to implement features such as promoted posts, further reduce notions of digital environments being able to provide environments for entities of all sizes to compete on a level playing field. Therefore, continuing to question whether these tools are worth the investment of time by SMEs.

In these social environments SMEs and unknown creative entities must also compete against content delivered by more mainstream studios. This mainstream content can be more appealing to consumers and generate higher engagement. This has been the case with content delivered on *SMTA* social networks, where news related to more mainstream studios (e.g. Disney, Pixar) have a tendency to perform well (e.g. clicks, likes)⁵⁵. This therefore adds to the VCOE: while smaller studios would benefit more from additional exposure, they are pushed out of focus as their content offers less value to the consumer or to curators/editors of content. This creates a problem where having an existing content precedence and established audience can become more important than the actual quality of content. Yet these are the very things that SMEs and unknown entities are trying to establish through the use of these tools.

The thing is, obviously if you're an unknown, no one will give two whistles about what you've got to say" (MA 2014, Telephone Interview, Appendix I.10 Line 424-425)

⁵⁵ Content relating to mainstream studios and established studios generate high reach and engagement on both Twitter and Facebook. Data obtained from Buffer Analytics and Facebook Insights.

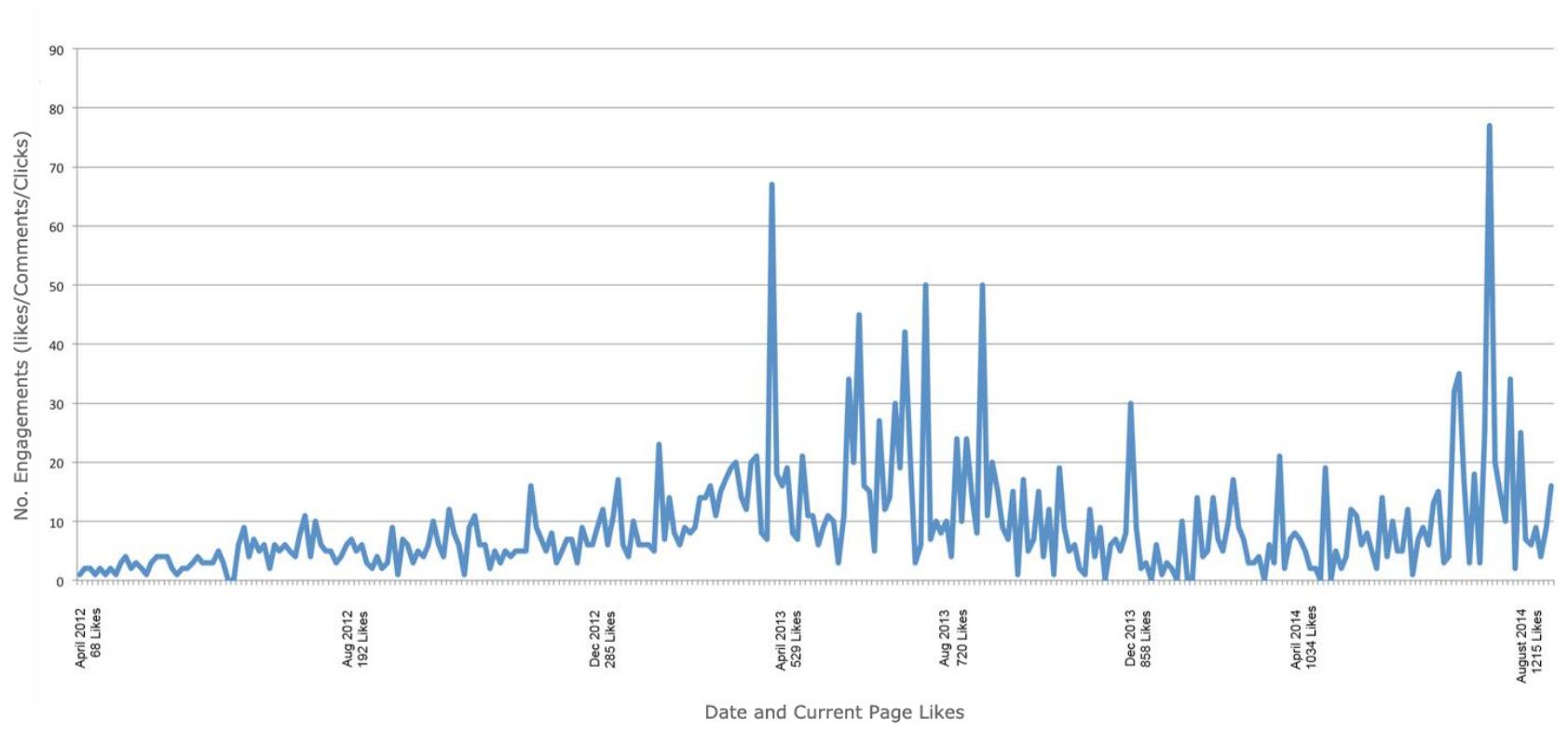


Figure 22: SMTA Pick of the Day Facebook Post Engagement⁵⁶

⁵⁶ Data Obtained from Facebook Analytics.

User Generated Content

This discussion of practices that can overcome the VCOE now turns to user-generated content (UGC). UGC capitalises on a user desire to become an active participant, and looks to utilise their surplus energy (Howe 2009) and enable producers to do more with what they have got (Fournier and Lee 2009). Over the course of this research various projects have encountered mixed results in capturing UGC.

Laugh Your Head Off

The first attempts at engaging the audience in UGC behaviour was with the *LYHO* project. As well as seeking engagement in the form of crowdfunding contributions, the project also sought to capture user submitted jokes contributions on the projects website. However, like the lack of crowdfunding contributions, there was a lack of jokes submitted. In areas where UGC was sought calls to action were poorly initiated; they were not clearly indicated upon the *LYHO* website and not utilised when participation occurred. According to Rashid et al. (2006) without obvious tools to participate and clear value signals for participating, users may find it hard to identify such opportunities, or hard to see the value in their actions.

This was the case on *LYHO* where there was no real reason to submit: no leaderboard for best jokes, no promise of the jokes being used for the projects film, and a lack of activity. Thus, the act of providing a joke on the website created an engagement mismatch, where the effort to participate was not rewarded by sufficient value (e.g. DEB only returning LEX). This engagement mismatch led to a lack of activity, which as previously discussed further reduces the motivation to engage, creating a VCOE. This engagement mismatch is discussed further in relation to *Ace Discovery*.

Ace Discovery

Within *Ace Discovery*, UGC was sought in the promotion of the pilot short film as a method of developing engagement prior to the short films release. This UGC was sought was in the form of a design contest asking the audience to design the space suit worn by the central character in his early years (Figure 24). This attempt at garnering user contribution aimed to build on the consumers' recognition needs,

which are argued by Shao (2009) and Leung (2010) to be important motivators for UGC contribution. When looking to gratify recognition needs, the audience seeks to establish their identity, gain respect and publish expertise. The design contest targeted all three, with contributing artists promoted via the *Ace Discovery* online channels (establish identity/publish expertise) and the final chosen design utilised within the final short film pilot (publish expertise/gain respect).



Figure 23: *Ace Discovery* costume challenge call to action⁵⁷

Overall seven entries were received over a three week period along with a further seven self-created entries. These self-created entries were produced to present a picture of activity and circumvent the inactivity issue of the VConE. As well as creating a picture of activity, these self-created entries were designed to provide an example of 'what to do'. As mentioned, without obvious tools of participation that are easy to use, users may have difficulty in understanding how to add value (Rashid et al. 2006).

Despite the intentions of the self-created entries to aid in creating an appearance of activity, engagement with the contest was still low with only seven entries

⁵⁷ Screenshot taken 13 July 2014 from <https://www.facebook.com/pages/Ace-Discovery/412903852117081>

received from the wider audience. This may be explained by the fact that *Ace Discovery* was still in an LE stage. The promotional material being utilised in the build up to the cartoons release were LEX ‘chunks’ aimed at creating awareness and peaking interest. Until the pilot episode was release the content around *Ace Discovery* lacked any depth to create DE. As proposed in the theoretical background, the act of creating ‘fan art’ like the costume challenge may be described as a DEB. These DEBs require DE motivation, thus it may be argued that the costume design challenge was presented too early in the life cycle of *Ace Discovery*. This creates an engagement mismatch between the required DEB and the LE amongst consumers. Those who did contribute were within the *Ace Discovery* directors ‘First Degree Network’. As explained earlier this group can be ‘engaged by default’ due to the personal connection of their relationship. Therefore, those who did contribute already had levels of engagement with the projects creators required to act out the DEB.

A voting process used to decide the competition winner further illustrates the engagement mismatch. Compared to the DEB of designing the costume the act of commenting to vote is a LEB. As a result a much higher rate of participation was seen in the act of voting than the act of designing a costume as seen in Figure 25, which shows the post receiving over 100 comments.

A lack of engagement for DEB was again illustrated in the *Ace Discovery* project with attempts at gathering UGC through a GIF contest image contest (Figure 26). The act of creating a GIF image sequence may again be seen as a DEB, requiring some technical skill and effort on behalf of the consumer. Thus, this barrier to entry may have limited the participation, with no entries received.

The issues with a lack of participation highlight that WÖNKY may have been expecting engagement to occur too quickly with the *Ace Discovery* project, due to the partnership with established entity Cartoon Hangover. This is discussed further in the following section on partnerships (see p127).



Figure 24: *Ace Discovery* costume challenge voting call to action⁵⁸

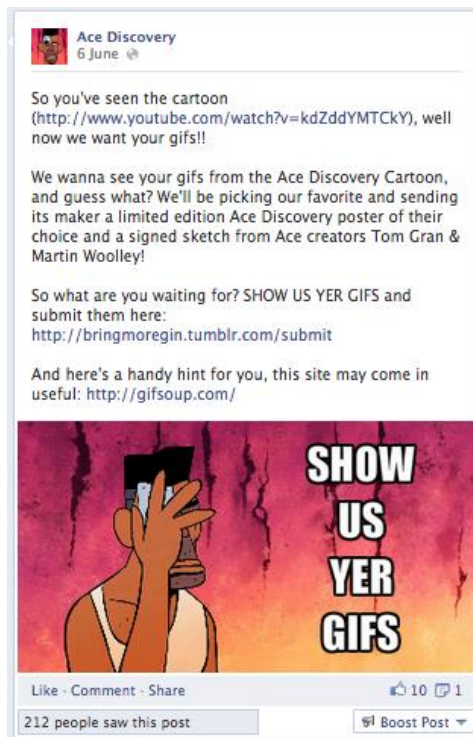


Figure 25: *Ace Discovery* GIF competition call to action.⁵⁹

⁵⁸ Screenshot taken 13 July 2014 from <https://www.facebook.com/pages/Ace-Discovery/412903852117081>

⁵⁹ Screenshot taken 13 July 2014 from <https://www.facebook.com/pages/Ace-Discovery/412903852117081>

Show Me The Animation

The final project that targeted UGC in this research was *SMTA*. Within *SMTA* UGC opportunities have been designed to differentiate the project from other competing animation sites. The interactive nature and deeper engagement involved with UGC adds another media dimension to the project, enabling it to break “*through the clutter*” and engage consumers “*through interaction, participation, entertainment and innovative creativity*” (Gambetti and Graffigna 2010, p803). Through UGC *SMTA* aimed to provide additional value that increases the audiences’ engagement. The UGC opportunities on *SMTA* have been presented in the form of animation challenges, which enable the audience to test their creative skills, collaborate with others, and express their talents upon the *SMTA* platforms.

AniJam

The first of these was held at Encounters Short Film and Animation Festival in the form of an *AniJam* event. This event challenged animators to create a short film in 48 hours around a specific theme. The aims of the *AniJam* event were to increase engagement with *SMTA* and engage participants in the co-creation of original content that could be utilised by *SMTA*. To date, two *AniJam* events have been run, during the 2012 and 2013 editions of Encounters. In the process 24 participants have produced seven original short films.

During the first *AniJam* event participant feedback was gathered through a survey. These were distributed and completed at the event venue immediately before and after the event. A total of 11 completed surveys were collected from 16 participants involved in the event⁶⁰. While the amount of respondents is limited in size this is unavoidable due to capacity restrictions. Also despite the low sample size of the surveys, when considered alongside increased online activity during the *AniJam* events, there is evidence of positive effects occurring as a result of the event as discussed next.

As previously mentioned the aims of the *AniJam* were to increase engagement with *SMTA* not only with the participants of the event, but also the wider *SMTA* audience. This was evidenced by all participants agreeing that the event had increased their likelihood of future involvement with *SMTA*, and positive increases

⁶⁰ Full results available in Portfolio E, Appendix 1, p354.

seen for all of *SMTA*'s online platforms during the period of *AniJam* activity (Figure 27).

These audience increases were due in part to prolonging the *AniJam* activity. After the event each film was posted online, with an online voting system allowing the audience to vote for their favourite film. *AniJam* participants were notified that the overall winning film would be decided based on the audience vote and judges opinions, with a winner announced a month later. This prolonged attention around *SMTA* and motivated social sharing amongst the participants as they encouraged friends to vote for their film. The voting element therefore provided added value; by incorporating the competitive element participants has a greater incentive to guide people towards the *SMTA* website. Without the voting element participants may have been more inclined to direct their network to their own website/online platforms where they were free to post their films. Thus, through the added voting value *SMTA* was able to guide the use of the content in a way that greater value could be derived for the site. In comparison to the UGC jokes in the previous *LYHO* example, the *SMTA* vote provided a reason for engagement that provided value to the participant (e.g. potential to win prize), not just to *SMTA*.

Metric	Increase
<i>Web Traffic</i>	+ 76.4%
<i>Web Session Length</i>	+ 82.4%
<i>Web Pages Per Session</i>	+ 46.4%
<i>Facebook Fans</i>	+ 30.8%
<i>Twitter Followers</i>	+62.2%
<i>Mailing list subscribers</i>	+52.9%

Figure 26: *SMTA* online platform increase during *AniJam* activity⁶¹

However, It is worth questioning the quality of the additional traffic on the *SMTA* website during this voting phase of the 'AniJam' event. Many of those visiting will have been referred to the site via external motivation (to vote for a friend), thus are likely to be one-time visitors. This was seen with the disengagement

⁶¹ Data obtained from Google Analytics, MailChimp, Facebook Insights and Social Bro. Based on the main period of the 2012 AniJam activity from 20 August 2012 when event was announce until 7 November 2012 a week after the winning film was announced.

occurring in the presence of an email capture system before users could vote⁶². Analytics indicated that 62.2% of unique visits did not result in a vote⁶³. However, nearly 40% of those visiting the page did proceed past this email barrier with 10.13%⁶⁴ opting into the *SMTA* mailing list. Therefore, while the majority of visitors may have disengaged due to the email barrier, greater value is received from those who chose to proceed.

Those opting out are likely to be the one-time visitors referred by a friend to vote. Therefore, their long-term value to *SMTA* is minimal. In opposition, those who have opted into the mailing list have committed to a continued relationship with *SMTA*. These behaviours can be seen in terms of LEB/DEBs. The act of only voting is an LEB, their engagement with the *SMTA* is LE and likely to be extrinsically motivated by a friends referral. When combining the vote behaviour with the email opt-in the behaviour becomes a DEB; engagement with *SMTA* is higher, evidenced by their decision to opt into continued engagement with *SMTA*. These barriers to entry, while causing disengagement, provide an audience selection process where the ‘wheat is sorted from the chaff’. Those audience members who offer little future value disengage, whilst those who offer long-term value are retained. Therefore, spaces for driving audience participation should consider not just driving engagement in terms of quantity, but more importantly quality that has long term value.

The *AniJam* survey also sought to understand the motivations for participating. Questions were linked to cognitive, social, recognition, and entertainment motivations, which are argued as important motives of UGC contribution (Shao 2009; Leung 2010). The strongest motivations were those that align with ‘flow’ type experiences, (‘*to challenge myself*’ and ‘*further my creative skills*’). This emphasises the importance of challenge in creating engaging tasks and enabling the consumer opportunities to better one’s self. One surprising finding was agreement with the motivation ‘*just for fun*’ was much higher than ‘*Screening Opportunity At Encounters*’ (each film was screened at the festival following the event). Thus, indicating participation is intrinsically rather than extrinsically motivated; the

⁶² A mechanism used to increase mailing list subscribers, with users able to either opt in or out of subscription

⁶³ Data obtained from Google Analytics. Calculated by comparing number of unique visits with number of votes and email opt-ins. 1,223 unique visits, 462 votes and 124 email opt ins.

⁶⁴ Data obtained from Google Analytics.

participants are joining in the activity for their own interests rather than the interests of the producers (e.g. *SMTA*).

Do It In Ten

In seeking to build on the successes of the *AniJam* a new UGC challenge was developed for *SMTA* titled *Do It In Ten*. The challenge was designed to build upon aspects of the *AniJam*' events, but allow for greater frequency of UGC that could be utilised by *SMTA*. Thus, the *Do It In Ten* challenge provides the *SMTA* audience with a new theme each month and asks them to respond with a 10 second animation. The limit of 10 seconds is used to reduce the barrier to entry and balance the levels of challenge involved in participating.

Do It In Ten was launched in January 2014 and since then nine challenges have generated a total of 59 entries⁶⁵. As with the *AniJam*, analytics from the website and feedback from participant questionnaires show positive indicators of engagement resulting from the *Do It In Ten*. Each *Do It In Ten* participant was provided with a follow up survey questionnaire via email after his/her participation in the challenge. These were given to 32 participants who entered *Do It In Ten* before September 2014, with 15 returning a completed survey (1 reminder email was sent to increase response rate)⁶⁶. Again the total responses are low, limited by number of participants taking part in the challenge. Yet, taken alongside the positive web analytical data, and the results from the *AniJam*, these creative challenges shown how UGC DEX can be utilised to enhance engagement.

Do It In Ten is a key driver of engagement with the *SMTA* site. Pages relating to the *Do It In Ten* feature 7 times in the top 20 site pages in 2014⁶⁷. This is again enhanced by prolonging the activity, where engagement to each challenge can be driven for the entire month and engagement to the challenge in general driven throughout the year. These positive engagement increases are illustrated in Figure 28 that compares the web data from the first two months after *Do It In Ten* began with the two months before. This shows the additional engagement driven by *Do It In Ten* amongst the wider audience, which is also seen among the participants with 88%

⁶⁵ Correct as of 23 September 2014

⁶⁶ Full results available in Portfolio E, Appendix 2, p357.

⁶⁷ Data obtained from Google Analytics, correct as of August 2014

agreeing the challenge had increased the likelihood of continued engagement with *SMTA*.

Metric	Pre Do It In Ten	Post Do It In Ten	Increase
<i>Sessions</i>	5,372	8,195	+52.55 %
<i>Users</i>	4,308	5,833	+35.40 %
<i>Page Views</i>	10,673	18,801	+76.15 %
<i>Pages per Session</i>	1.99	2.29	+15.47 %
<i>Avg. Session Duration</i>	91 seconds	113 seconds	+23.87 %
<i>Bounce Rate</i>	72.54%	68.65%	-5.36 %

Figure 27: *SMTA* online platform increase during *Do It In Ten* activity⁶⁸

Like the *AniJam* the *Do It In Ten* survey looked at the participants motivations for entering the *Do It In Ten* challenge. Motivations linked to challenge (‘*to challenge myself*’ and ‘*improve my creative skills*’) were found to be important reasons for taking part. Thus, illustrating participants are intrinsically motivated to better one’s creative skills and fulfil creative desires. Opportunities to win the ‘Best of 2014’ prize or gain exposure from *SMTA* are not highly ranked, thus showing participation is more intrinsically motivated. This is similar to the ‘*AniJam*’ event and the extrinsic motivator ‘*screening opportunity at Encounters*’.

The low rankings of extrinsic motivators with *Do It In Ten* and *AniJam* appear contradictory, considering the competitive elements drive further engagement with participants sharing content among friends to encourage votes. Therefore, suggesting that while they are intrinsically motivated to create animation content, *SMTA* provides an extrinsic motivation that creates structure to their creative desires. The added value of potential exposure, or winning a prize, and the bounds of the contest provide organisation and additional meaning to their creative efforts than producing content just for themselves. This suggests that their engagement is not with *SMTA* but with the medium of animation itself, with *SMTA* providing an extrinsic motivator to access their intrinsic creative desires.

The fact participants’ engagement is with the medium of animation rather than *SMTA* can be further evidence in that the level of participation required for both

⁶⁸ Data obtained from Google Analytics. Period compared 1 Nov 2013 – 31 Dec 2014 vs. 1 Jan 2014 – 28 Feb 2014

events⁶⁹ classes the challenges as a DEB. However as seen in the surveys not all participants had a prior awareness of *SMTA*. For example in the *Do It In Ten* survey 35% of respondents were previously unaware of *SMTA* and those that were indicated infrequent or monthly engagement with the website.

Yet, the average time spent pursuing creative endeavours each week⁷⁰ indicates a DE with animation, or creative production. Therefore, the *AniJam* and *Do It In Ten* enable *SMTA* to access the participant's engagement with animation for mutual benefit. The participant is given the platform and motivational challenge to fulfil creative desires, while *SMTA* gains from the unique UGC content and engagement this content drives. In doing so *SMTA* is able "*define the terms of their community participation but discard the illusions of control*" (Fournier and Lee 2009, p11).

The greater success of UGC practices in *SMTA* can be attributed to a number of factors. Firstly, time. For example, the *Do It In Ten* contest was initiated in January 2014, 22 months after the *SMTA* website launched. This meant engagement was not expected too soon, whilst in comparison the *LYHO* and *Ace Discovery* UGC calls to action were initiated in the early stages of the project. Over the 22 month period between the launch of the website and initiating the *Do It In Ten* challenge *SMTA* was able to build engagement through the consistent delivery of content and therefore reduce the VCOE.

Secondly, the *SMTA* calls to action bypass any potential engagement mismatch with *SMTA* by targeting the consumers' engagement with the medium of animation rather than *SMTA*. The *Do It In Ten* and *AniJam* challenges provided a structure that guides value back to the consumer by fulfilling their intrinsic motivations for challenge and creative fulfilment, whilst still providing the freedom to create. This freedom means what they create still has value outside the context of *SMTA* (e.g. the animations make sense as a standalone artefact). In comparison the *LYHO* task offered little value in return for the consumers' participation, thus causing an engagement mismatch. The *Ace Discovery* challenge also suffered an engagement mismatch, where the UGC artefact has little value outside of the context of *Ace Discovery* (e.g. the costume design needs to be contextualised by the *Ace Discovery* 'world')

⁶⁹ 48 hours for the *AniJam* and $M = 10.97$ hours spent on *Do It In Ten* entries

⁷⁰ $M = 18$ hours

Finally, the use partnerships of partnerships in the UGC calls to action provided *SMTA* with additional credibility and exposure, particularly for the *AniJam* event. The benefits of partnerships were also evident in the *Ace Discovery* example as discussed next.

Partnerships

The final practice for overcoming the VCOE is partnerships, which can become valuable for SMEs due to the additional resources and exposure they can offer. The following section discusses these advantages, as well as the disadvantages partnerships can bring through audience misalignment, or lack of transitional engagement.

Encounters and MeBooks

The development of UGC has often relied on partnerships with others. These partnerships can increase the credibility of the smaller entity through the larger partners existing audience relationships. For example the *AniJam* events were greatly enhanced by the partnership with Encounters Film Festival. This partnership provided important resources and audience networks that could be utilised by *SMTA*.

Resource help came through cost-savings provided by the use of a festival venue to host the event, and the donation of an overall winners prize. The Encounters audience network also provided sufficient reach to attract participant interest in the event by adding an existing stimulus to reduce the VCOE. For example, the majority of the 2012 *AniJam* participants were not previously aware of *SMTA* before taking part and indicated Encounters as their main source of event knowledge. Thus, without the Encounters partnership it is likely that the event would have suffered from a lack of activity. This was illustrated in the year following the first *AniJam* when *SMTA* attempted to run an additional *AniJam* without Encounters. However, a lack of participants meant it was cancelled and rescheduled with Encounters later in the year.

The audience network provided by the Encounters partnership also provided a quality of attention. During the *AniJam* event period Encounters referred the highest

quality traffic ⁷¹. This suggests that it is not just about creating partnerships, but creating partnerships with the right people (Prince and Davies 2002). The *SMTA* partnership with Encounters is complementary, with each audience aligning with the other due to the focus on filmmaking and animation, thus messages from each party are of interest to each audience.

Partnerships that do not align can bring with it negative effects. For instance in April 2013 *SMTA* hosted a contest in partnership with MeBooks, a digital book publisher. The contest sought to discover new children's book authors and illustrators, with selected entrants having their picture book published in the MeBooks App. The contest again offered *SMTA* the opportunity to gain increased awareness through a more established partner with the recognition and publication opportunity increasing engagement around the contest ⁷².

However, the contest struggled to generate significant interest with only 23 entries submitted. These struggles are arguably due to an engagement mismatch, where the contest may have been better suited to an illustration or writing focused community rather than the animation focus of *SMTA*. The partnership was also setup the wrong way round, with the contest advertised through *SMTA* networks, yet MeBooks were arguably the larger entity in the partnership, thus may have gained greater exposure for the contest alone.

After the contest deadline was reached MeBooks decided none of the entries were suitable to be taken forward and published in their App at that time ⁷³. This highlighted the risks associated with UGC in terms of finding adequate quality. It also placed *SMTA* in a difficult position with regards to informing entrants that no one had been selected. This led to confused and negative responses from participants and risked damaging trust between *SMTA* and its audience.

Cartoon Hangover

In the earlier section on curation it was suggested curated platforms could provide benefits if the attention they create transitions across to the original content creator.

⁷¹ 76.01% and 52.41% higher than average increases for page views per session and session length respectively. Data obtained from Google Analytics.

⁷² Facebook post relating to the competition has received highest reach of all posts by *SMTA*. Data obtained from Facebook insights. Correct as of 28 August 2014.

⁷³ MeBooks has since worked with one of the entrants to rework and complete aspects of their submitted entry and eventually published 'A Home for Humphrey' by Nikko Barber in December 2013.

The same can be said with partnerships. For example with *Ace Discovery* the networks established by commissioning partner Cartoon Hangover meant it had a large audience base to launch the pilot cartoon. This resulted in the short film receiving higher viewing figures than any other WÖNKY short film. However, it is difficult to suggest that the benefits of this engagement have transitioned over to WÖNKY. With the cartoon launched upon the Cartoon Hangover channels, WÖNKY, and the films co-directors, become hidden from view (Figure 29). Without the consumer clicking on the YouTube ‘show more’ description there is no visible reference to the shows creators. Thus, audience engagement remains with Cartoon Hangover, with the consumer unaware of WÖNKY or the shows co-directing duo Spin Kick Bros existence as separate creative entities.

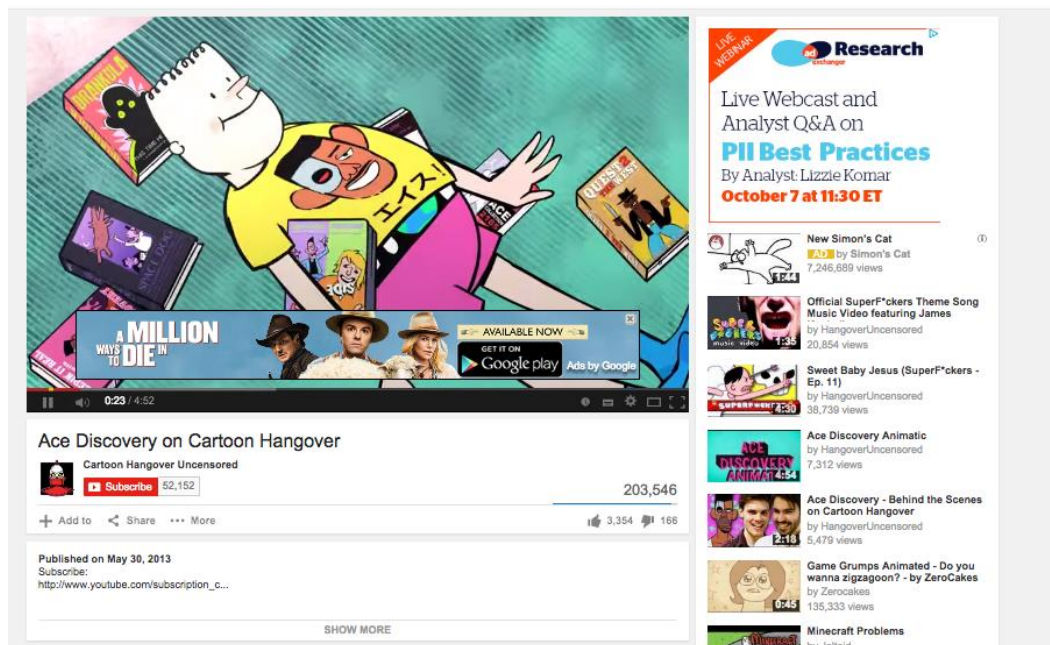


Figure 28: *Ace Discovery* on Cartoon Hangover YouTube⁷⁴

This is also evidenced through the separate *Ace Discovery* social profiles created as part of the promotional plan for the short film. Building audiences around these profiles proved difficult and reach for posts shared for these platforms was limited to a few hundred people. In comparison, when posts were re-shared by Cartoon Hangover, or Cartoon Hangover featured posts⁷⁵ about the short, reach and engagement was much higher (Figure 30). Thus engagement with the show existed but was focused on Cartoon Hangover as the central point of discovery. The

⁷⁴ Screenshot taken 30 September 2014. See: <https://www.youtube.com/watch?v=kdZddYMTCKY>

⁷⁵ See: http://advancedsearch.in/search/397260890300309/Cartoon-Hangover/created_time/Ace%20Discovery

partnership with Cartoon Hangover enabled the VCOE to be reduced when the link to Cartoon Hangover remained explicit, but once removed the VCOE remained.

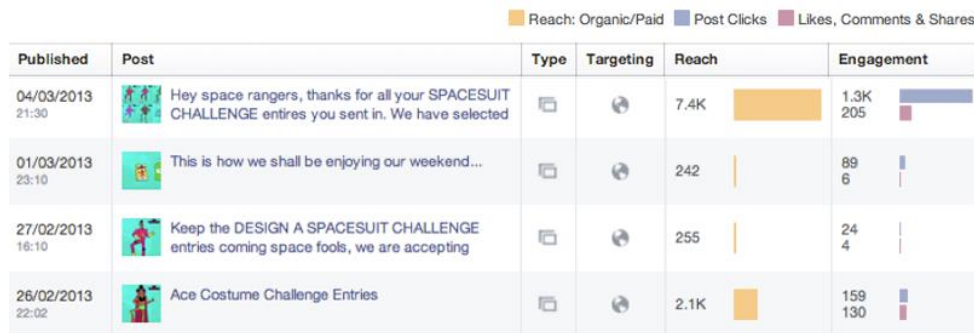


Figure 29: *Ace Discovery* Facebook Post Insights⁷⁶

From the WÖNKY perspective engagement with *Ace Discovery* was expected too quickly. The short film was only commissioned as a single pilot as part of Cartoon Hangover’s Too Cool! Cartoon series (with potential for future commission). This meant it was difficult to create sustained standalone engagement for the short, as engagement is something that develops over time (Bowden 2009; Gambetti and Graffigna 2010). Without follow-up episodes the opportunities to develop engagement in separate *Ace Discovery* channels is difficult. Any DE that may have occurred during the DEX of the single episode will be short-lived as it lacks content continuation beyond LEX, which is insufficient in the long-term. Therefore, there was a lack of consistent content that could reduce the VCOE. This is only an issue from the WÖNKY perspective as their interests lie solely with *Ace Discovery*.

For Cartoon Hangover, *Ace Discovery* was a solution to their issues of maintaining engagement. The Too Cool! Cartoons including *Ace Discovery* offered bridges of DEX between series one and two of ‘Bravest Warriors’, a series upon which Cartoon Hangover’s initial engagement was based. For each month between the end of series one of ‘Bravest Warriors’ and the start of series two, the Too! Cool cartoons provided a balance of LEX and DEX to maintain engagement. LEX was delivered in the form of behind the scenes content, which introduced the audience to the new cartoon, building towards the DEX in the form of the pilot episode. This was followed by further LEX to maintain engagement, before the cycle was initiated again for the next cartoon. Therefore, the follow up for Cartoon Hangover was the next Too Cool! Cartoon rather than the next *Ace Discovery* episode. As a result

⁷⁶ Screenshot taken 30 September 2014. Taken from Facebook Insights.

WÖNKY's role in the partnership with Cartoon Hangover may be viewed more as a work-for-hire role. As such they become placed in the shadow of the larger enterprise that utilise the creative efforts of WÖNKY to enhance and develop the engagement of their own audience.

Therefore, while the commissioning partnership provided the funding that enabled the project to be produced, the release of control to the larger partner, and lack of audience transitioning, limited what could be made of the engagement that occurred. Thus again the VCOE is strengthened; for SMEs there is a need for these partnerships to access the finance and existing engagement to launch these artefacts. Yet the cost in terms of releasing IP control limits their ability to make full use of its potential or obtain long-term benefits.

Crowded and Competitive Environments

As discussed so far the practices that can help reduce the VCOE are also shown to add to the VCOE. The following section continues to discuss these perpetual struggles by highlighting the competitive nature of digital environments and the difficulties faced in gaining visibility. These difficulties stem from the abundant choice consumers face, which means it is difficult to engage and retain them and producers risk encountering the VCOE.

As already established the launches of the short films produced by WÖNKY during this research have encountered mixed results, with some reaching greater audiences than others (Figure 31). The differences in viewing figures illustrate the variable nature of digital environments and how exposure is susceptible to partnerships, SM, and curation. Without these factors SMEs can struggle to attain visibility and engagement for their content. This is shown in viewing figures for *You Must Be Joking*, which was released before this research began, and also *WDTCTR?*, which lacked a social foundation, and the credibility and additional reach curation platforms provide. Therefore even at times when SMEs are able to produce original content, a lack of resources can hamper their ability to reach and engage audiences with that content.

Film	Views	Released	Description
<i>You Must Be Joking</i>	680	Feb-11	Short Film undertaken prior to research project
<i>WDTCCCTR?</i>	812	Jan-14	Short Film undertaken during research project
<i>Writers' Block</i>	55,915	Apr-14	Short Film undertaken during research project
<i>The Nether Regions</i>	118,555	Aug-14	Short Film undertaken during research project
<i>Ace Discovery</i>	591,204	May-13	Short Pilot commissioned and published by Cartoon Hangover during research project

Figure 30: Viewing Figure Comparison of WÖNKY created content⁷⁷

Apps

The Apps developed as part of this study further illustrate the competitive nature of the digital environments. These Apps have been developed for each of the WÖNKY short films, as well as an App developed for the *SMTA* project, which showcases the work of multiple independent animators. The Apps have been developed to reutilise content in other ways and extend the life of short films, creating spaces for continued engagement and new avenues of discovery. However, this is only beneficial if this content can reach the desired audience, which has become an issue with the delivery of these Apps.

The experience of promoting these Apps finds financial barriers are often placed upon promotion, with many review sites charging for their services. These reviews can cost over \$100, with others also offering services that add App Store ratings with costs rising into the thousands (Figure 32). This shows how the cost of promotion can be outside the means of many SMEs and illustrates how App Stores can be manipulated by ‘bought’ reviews. Therefore, those with greater financial resources may be able to falsify success irrespective of actual quality.

⁷⁷ Data obtained from Vimeo and Youtube Stats. Correct as of 24 September 2014. Indicates total views

01. App Ratings & Reviews

▼ The following pricing applies for FREE apps:

TYPE	PRICE
40 iOS reviews with ratings (2.5 USD per review)	\$99
80 iOS reviews with ratings (1.862 USD per review)	\$149
100 iOS reviews with ratings (1.8 USD per review)	\$180
120 iOS reviews with ratings (1.791 USD per review)	\$210
160 iOS reviews with ratings (1.718 USD per review)	\$275
200 iOS reviews with ratings (1.695 USD per review)	\$339
240 iOS reviews with ratings (1.662 USD per review)	\$399
280 iOS reviews with ratings (1.643 USD per review)	\$460
320 iOS reviews with ratings (1.609 USD per review)	\$515
400 iOS reviews with ratings (1.6 USD per review)	\$640
1000 iOS reviews with ratings (1.55 USD per review)	\$1550
2000 iOS reviews with ratings (1.50 USD per review)	\$3000

▼ The following pricing applies for PAID 1 USD apps :

TYPE	PRICE
10 iOS reviews with ratings (12 USD per review)	\$120
15 iOS reviews with ratings (10 USD per review)	\$149
20 iOS reviews with ratings (9.95 USD per review)	\$199
30 iOS reviews with ratings (9.63 USD per review)	\$289
40 iOS reviews with ratings (9.375 USD per review)	\$375
50 iOS reviews with ratings (9.30 USD per review)	\$465
60 iOS reviews with ratings (9.15 USD per review)	\$549
70 iOS reviews with ratings (9.128 USD per review)	\$639
80 iOS reviews with ratings (9.062 USD per review)	\$725
90 iOS reviews with ratings (9.00 USD per review)	\$810
100 iOS reviews with ratings (8.99 USD per review)	\$899
115 iOS reviews with ratings (8.68 USD per review)	\$999

Figure 31: App review Costs offered by an App Marketing Service⁷⁸

With limited resources for marketing such content, promotion has been focused on the use of ‘free’ tools such as SM and press release communication with creative websites. There have also been small paid promotional trails used for some of the Apps.

However, these promotional avenues, both free and paid, have had limited effect. For example, for the launch of *The Nether Regions* App press releases were sent out to numerous creative and animation focused sites, with additional promotion carried out on SM accounts held by WÖNKY. The App also used some small paid promotional approaches (Figure 33) during the first month of release. Similarly the *SMTA* App received promotion via online press releases and SM, with the potential benefit of the larger audiences on its SM channels in comparison to WÖNKY. The *SMTA* App also used paid promotion after the App had been available for 2 months and Version 2.0 had been released (Figure 34). In comparison, the *Writers’ Block* App received no promotional activity until an App update that coincided with the film online release, a year after its initial publication. Despite this lack of promotional activity the *Writers’ Block* App received similar downloads to both *The Nether Regions* and the *SMTA* App during their first months on the App Store (Figure 35).

⁷⁸ Screenshot taken 29 Aug 2014 from media marketing pack received in response to an emailed App press release.

Type	Spend	Campaign Dates	Results	Reach	Cost Per Engagement
<i>StumbleUpon Paid Discovery</i>	£20	17 Sep – 17 October 2013	280 URL Views	N/A	£0.07
<i>Facebook Page Like Ads</i>	£25	1 October – 15 October 2013	99 Page Likes	2,671	£0.25
<i>Facebook App Advert</i>	£10	10 October – 20 October 2013	3 App Installs	9,515	£3.33

Figure 32: The Nether Regions App paid promotion.⁷⁹

Type	Spend	Campaign Dates	Results	Reach	Cost Per Engagement
<i>Twitter App Advert</i>	£24.71	24 August 2014	0.63% Click Rate	13,709	£0.29
<i>Facebook App Advert</i>	£24.98	23 August – 6 September 2014	30 App Installs	8,177	£0.83
<i>Paid reviews on App review sites and Press release distribution</i>	£91.29	13 September 2014	2 Reviews on App Review Sites	N/A	N/A

Figure 33: SMTA App paid promotion⁸⁰

⁷⁹ Data obtained from Facebook Ad Insights and StumbleUpon Campaign Insights.

⁸⁰ Data obtained from Facebook Ad Insights and Twitter Ad Insights.

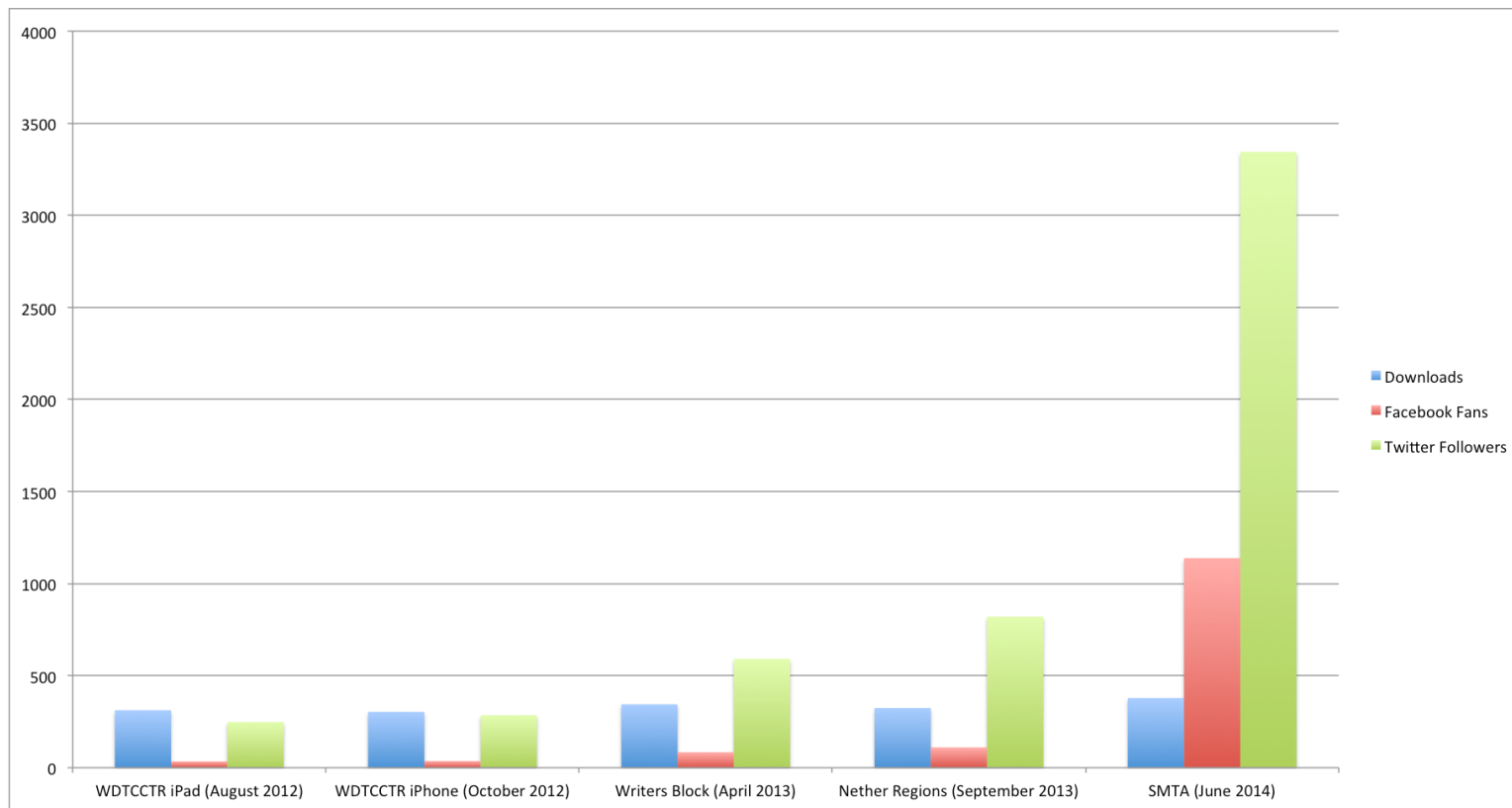


Figure 34: WÖNKY short film Apps and SMTA App first month downloads.⁸¹

⁸¹ Data obtained from iTunes Connect, Facebook Insights and Social Bro

As mentioned during the first month of release, the *Nether Regions* and the *SMTA* Apps received online promotion, and the *Nether Regions* also used the paid promotional approaches at this time. As for the *SMTA* paid promotion, which occurred during its third month of release, some download increases were seen, but these were small and only apparent for the duration of the SM promotion and not for the paid site reviews (Figure 36).

For SMEs with only small SM followings and limited resources to invest in paid promotion the effectiveness of these promotional tools appear limited. For those with more expendable resources, paid promotional tactics may have greater effect if they are able to invest to a significant degree and ‘kick-start’ a user base towards a critical mass. For example, in the paid promotion figures, direct costs per install can be seen in the Facebook App Ads (£0.83 and £3.33 for *SMTA* and *Nether Regions* respectively). Extrapolating these costs into significant audience figures can be unattainable for many SMEs, but may be more realistic for large enterprises with expendable resources. Thus, evidence of rich-get-richer ecosystems arise where those with the expendable resources can pay for additional exposure and distribution (to break the VConE), and subsequently increase potential to derive further revenue (Dixon 2013). This then makes it harder for SMEs, or those new to the market, to close the gap and catch up.

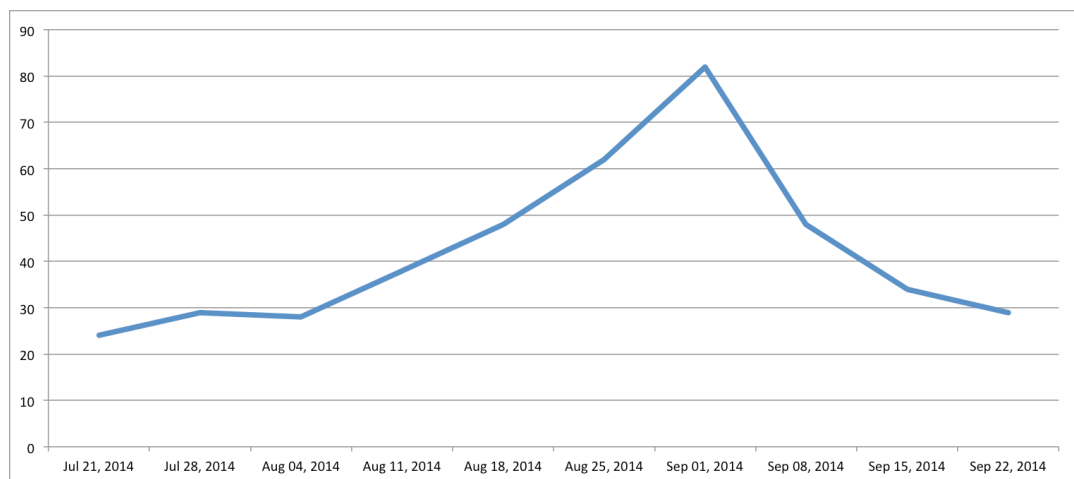


Figure 35: SMTA downloads per day during paid promotional period⁸²

As well as questioning the effectiveness of promotional activity the data also suggests the naming of Apps may be more effective in creating visibility. The name of the *Writers’ Block* App aligns with the condition suffered by authors who lose the

⁸² Data obtained from iTunes connect. Paid promotional period 23 August – 23 September 2014.

ability to produce new work. Thus, it may be suggested that consumers are searching for Apps to aid this condition and discovering the App. The influence of a name is also evidenced by a test case created by releasing games included in the *WDTCCTR?* App as a standalone App titled 'Easter Eggtravaganza' to coincide with Easter 2013. This resulted in a quick high volume download rate over the Easter period. The effect of these naming conventions can be seen in figure 37, which indicates the two top performing apps during their first month are those that received no promotional activity, but may have increased visibility due to their names. While the difference between *Writers' Block*, and the other apps (*Nether Regions* and *WDTCCTR?*) here are not significant, *Writers' Block* still outperforms them despite a lack of promotion.

This continues to question the ability of SMEs to be able to compete in these environments. Without expendable resources to significantly invest in marketing practices free approaches are relied upon to build an audience, however this research shows these have limited, to no effect, and can struggle to break their VCOnE. Instead factors that are harder to cater for such as having the 'right' name appear to give way to creativity and resource investment.

In total the short film Apps have been downloaded 3771⁸³ times and the *SMTA* App 771 times (Figure 38). These figures show that significant uptake of the apps produced has not been generated, falling in line with figures that suggest the majority of Apps struggle to break through 1,000 downloads and many struggle to get any at all (Drenge 2012).

Thus these problems are inherent within the App stores, questioning the attractiveness of these platforms as avenues to build audiences and engagement. These markets are saturated making it hard for visibility to be attained and success is limited to a few. The ability to compete is out of scope for many SMEs; preventing them from being able to take advantage of advocated areas of growth and IP exploitation.

⁸³ Correct as of 24 September 2014, data obtained from iTunes Connect. Includes downloads to iPad, iPhone and iPod Touch devices.

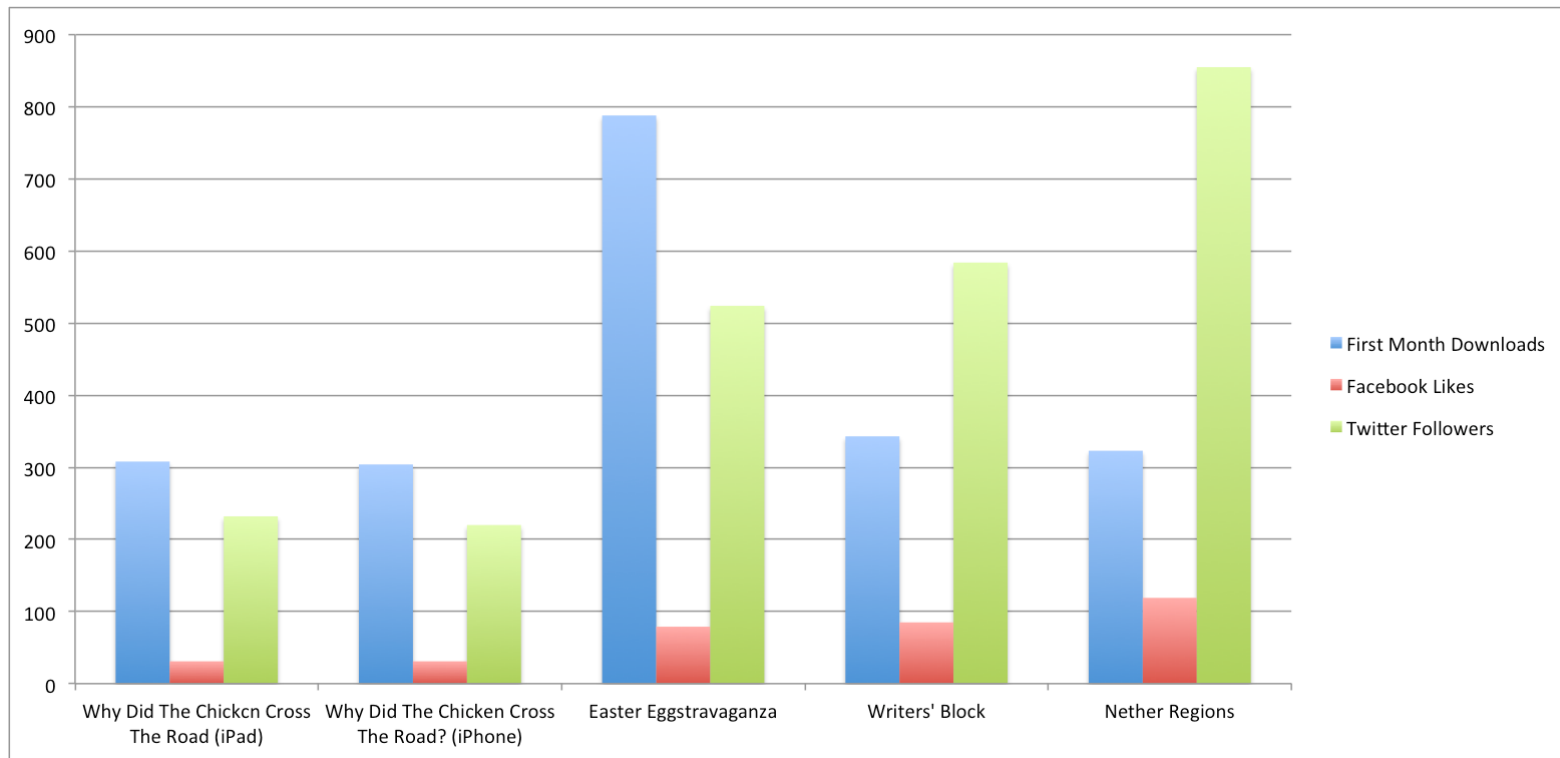


Figure 36: WÖNKY Short Film Apps and *Easter Eggstravaganza* first month downloads⁸⁴

⁸⁴ Data obtained from iTunes Connect, Facebook Insights and Social Bro

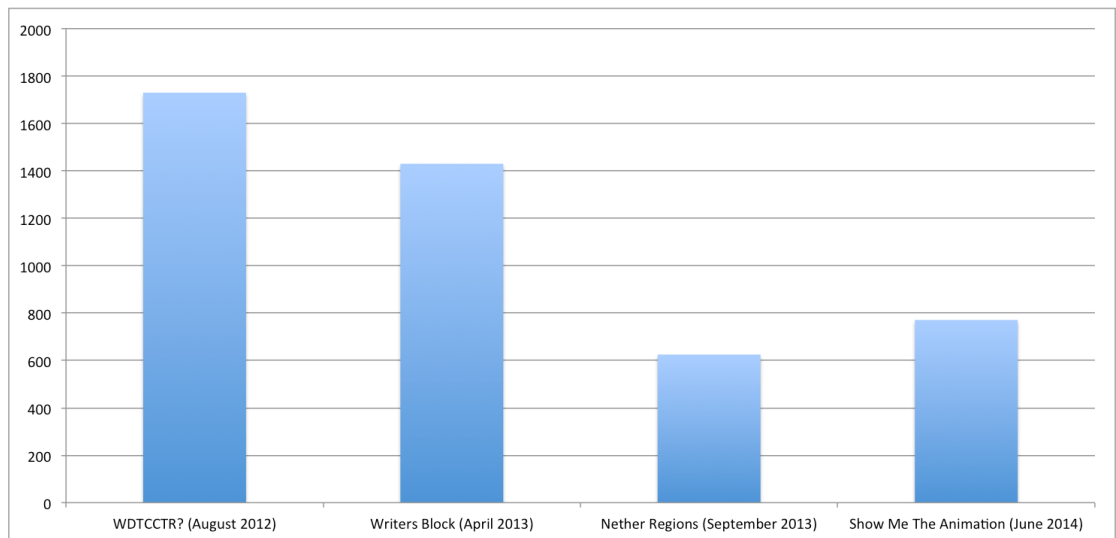


Figure 37: Total Download Figures for WÖNKY Short Film Apps and SMTA App⁸⁵

Wider Industry Context

These issues have also been found in the interview study where respondents cite finding it hard to reach audiences with their content. In an interview article published to the *SMTA* website, well known Internet animator ‘Mr Weebl’ argues that while the Internet has been critical to his success, it has become much tougher in recent years;

“Oh it’s vastly harder to get noticed but much easier to get them out there. You don’t need to build your own site or have servers any more so the barrier for entry is pretty much non-existent. However the big boys have basically taken over and audiences tend to congregate on these large sites. YouTube are now the gatekeepers and it seems that newcomers are at a massive disadvantage now when it comes to getting eyes on their work” (Picking 2014, para 12).

This means curated platforms and those who provide a means to exposure are relied upon, but a lack of audience transitioning continues to be found

“I think the Internet’s a very fleeting place and I think probably all those, of all those views, like most people have seen the film, watched the film, never watch

⁸⁵ Correct as of 24 September 2014, data obtained from iTunes Connect. Includes downloads to iPad, iPhone and iPod Touch devices.

the film again and never, like maybe it'll appear in their head visually but they won't connect that with me especially.” (BS 2014, Interview, Appendix 1.11, Line 182-210)

Outside of curated platforms, ‘free’ approaches are utilised to gain exposure as paid promotional methods can be also be outside the limits of a company’s resources.

“it goes back to the issue that marketing takes a lot of time, and money as well [...] And back with [GAME NAME] we had no money and no time so, so as a result we weren't able to push it in that way.” (MA 2014, Telephone Interview, Appendix 1.10 Line 300-304)

Yet these ‘free’ tools can become a considerable expense of time.

We spent another two weeks sat in front of our computers once [FILM NAME] was done, pimping it on every conceivable platform” (TL & SJ 2014, Telephone Interview, Appendix I.4, Line 417-418).

Therefore, attempting to utilise practices that can reduce the VCO_nE, in turn increases resource demand and perpetuates the VCO_nE. For example, cheaper tools to production and distribution may have enabled more people to create and distribute content, but the ability to get work seen has become increasingly harder. Thus, smaller creative studios are in positions where they are limited in their ability to compete and are bound their resources, which lends itself to the development of rich-get-richer ecosystems.

Despite the digital environments being advocated areas of growth for IP exploitation, they can themselves be part of the hampering limitation that make it difficult for SMEs to develop original content. This issue is likely to become more pertinent as content competition increases over time. Greater competition will continue to reduce the effectiveness of free promotional tools, thus increasing the reliance on curation platforms for exposure (which can be limited in long term value), or the need to enhance visibility through paid methods (which can be out of scope for SMEs). This creates rich-get-richer dynamics as the need for resources to gain visibility in these markets increases, thus SMEs will continue to remain in the shadows of larger enterprises that hold the keys to attention.

6. Monetisation

This chapter focuses on monetisation and its links with engagement, again drawing upon DE/LE, DEX/LEX, and DEB/LEB to further illustrate their occurrence in practice. The following section is structured as follows; firstly a brief overview that expresses the need for methods of monetisation is presented. Secondly, crowdfunding is discussed with insight developed through the research paper “*Success in the Management of Crowdfunding Project in the Creative Industries*”⁸⁶ discussed in relation to the *LYHO* project. Thirdly, PWYW and attempts to utilise this method in practice are examined. Again additional insight is provided via the research study “*Engagement and Willingness to Pay for Short Animation Online*”⁸⁷ that lends support to PWYW monetisation. Finally, insight into the use of advertising and the difficulty of generating sustainable revenue from this method is presented.

Overview

Building engagement is only one factor in strengthening the ability for creative SMEs to deliver original content. Without ways to fund the production of this content, or monetize audiences, creative SMEs can struggle to produce the content required to engage audiences. Therefore, methods of monetisation become an important part of the long-term equation. A lack of funding sources is however widely cited as an issue for being able to fund independent content, particularly animation that is often seen as made for children, and more expensive to produce than live-action content (Kenny & Broughton 2012; Animate Projects 2013). Knowledge of, and access to funding is also described as difficult to obtain.

You don't feel like there is someone you can easily go to and ask for funding to make the stuff you want to make. There is always like really difficult routes round” (ST 2014, Telephone Interview, Appendix I.5, Line 212-213)

Funding that can be obtained is argued to have reduced over the years (Animate Projects 2013), and amounts offered are often not enough to cover resource investment.

⁸⁶ For full paper see Digital Appendix H

⁸⁷ For full paper see Portfolio G, p399-430

“I don’t think the money will ever be enough that’s available to people. Like if you go on IdeasTap you can get like 3 or 4 hundred quid to make a short film and that’s like. Realistically that’s nothing. [...] I worked out how much it would cost to make one of my films in a month, if I could hire people and it was like 15 grand” (WA 2014, Telephone Interview, Appendix I.7, Line 420-427).

With a lack of funding available, creative SMEs become more reliant on work-for-hire roles that can be used to fund the production of original content. Reliance on these work-for-hire roles however, means the production of content can be prolonged as evidenced in the previous chapters. Therefore, to make the production of independent work a more sustainable practice creatives have been looking at various methods of monetisation that allow them to circumvent traditional routes to market. However, as proposed in the theoretical background, the ability to monetise is linked to engagement. This makes it difficult for unknown entities and SMEs to derive revenue from their works and means the VCOE arises within efforts to monetise. Monetisation methods, their links to engagement and the occurrence of the VCOE are discussed next, beginning with crowdfunding.

Crowdfunding

Crowdfunding has seen a recent rise in prominence as a method of funding creative projects. In 2012 there were 9,600 film projects launched on crowdfunding platform Kickstarter, and 10% of the 2013 Sundance Film Festival selection was comprised of Kickstarter backed projects (Kickstarter 2012). With evidence of success crowdfunding becomes an attractive option for creatives seeking to fund their work. However, there is a danger that many may ‘jump on the bandwagon’ without a full understanding of the investment required to make a campaign work, leading to naïve and costly mistakes. For these reasons crowdfunding received specific attention in this project.

An underestimation of the work required to make a campaign successful was one of the main mistakes of the *LYHO* crowdfunding campaign. Hui et al. (2013) argue that the time, commitment and audience size is often underestimated and warn against the perception that crowdfunding is an easy way to fundraise. In their study they argue a campaign can be a one to two year process during which campaigners

are often overwhelmed by the various roles involved, which are often outside their area of expertise.

“a creator may act as a publicist to communicate the project idea, an accountant to decide the budget, a manager to coordinate the team efforts, and an engineer to manufacture the product. All this must be achieved while coordinating and maintaining communication with a crowd of supporters that may be as large as hundreds or thousands of people” (Hui, et al 2013, p1).

Thus, effective campaign management can in itself become a burden on resources, the very thing it is supposed to circumvent. This creates a paradox in that crowdfunding is pursued to circumvent resources limitations, but in itself requires the allocation of these resources. These factors were addressed in the crowdfunding research study⁸⁸. This study was undertaken after the failure of the *LYHO* crowdfunding campaign and analysed 100 Kickstarter projects (50 successful and 50 unsuccessful) to determine the factors that contribute to crowdfunding success. The analysis of campaigns considered a number of factors including, social networks, campaign goals, pitch quality, reward quality, and evidence of content precedence. This analysis identified two key factors contributing towards crowdfunding success; 1) ‘Network Management’, which includes, number of backers, number of search results, total raised, and number of shares. 2) ‘Campaign Management’ which integrates pitch quality, reward quality and number of updates. The paper offers a discussion of these issues in reference to the 100 campaigns analysed in Portfolio F (p360), but the findings can also be used here to address the failings of the *LYHO* campaign.

Some of the main failings of the *LYHO* campaign relate to ‘Network Management’ factors. As referenced earlier, *LYHO* lacked a sufficient network to build momentum for the project and thus became susceptible to the VConE. Ordanini et al. (2011) model crowdfunding as a three-stage process. Phase one is the ‘friend funding’ stage, where campaigners target their ‘First Degree Network’ to provide an initial boost and overcome inactivity. This then leads to the phase described as ‘getting the crowd’, which is argued to be the most challenging phase where campaigners must move visibility into wider networks or risk stagnation. The

⁸⁸ For full paper see Portfolio F, p360-398

final phase is titled ‘race to be in’, attracting contributions from wider networks who are motivated by a fear of missing out. While *LYHO* was able to gather contributions in the ‘friend funding’ stage, it failed to do so in a manner that had sufficient momentum in terms of size and speed to carry the campaign forward into the ‘getting the crowd’ phase. Ordanini et al (2011) describe the initial ‘friend funding’ phase as an initial quick flow of investment that reaches approximately half of the target goal. With *LYHO* the friend funding was slow, occurring over the entire period of the campaign⁸⁹ and only achieved 5% of the target \$4,000 goal⁹⁰.

At the time the campaign was run WÖNKY lacked a SM presence and the campaign was also run under a separate *LYHO* identity. Therefore, any existing presence created by WÖNKY (even small) was marginalised behind *LYHO*. The task of building the *LYHO* audience and identity was also being carried out in tandem with running the crowdfunding campaign, rather than having an audience foundation to launch with. Therefore the network required to meet the funding goal was missing.

In the research study it is estimated that a \$4,000 target goal would require between 40-80 backers, which in turn would require an initial network of 2,400. Yet, *LYHO* only achieved 9 backers, a result of having a limited initial network⁹¹. Once combined with the numbers of the lead campaigners personal networks (myself) the total initial network only amounted to approximately 400. This figure is only 16.7% of the 2,400 given as a suggested requirement above, which aligns with the *LYHO* campaign achieving 15% of the required backers if we take the mid point of the amount suggested above (60). Therefore, the *LYHO* campaign may have been too ambitious with the funding goal it could achieve in terms of its network and was hampered by not building this network prior to the campaign. In comparison, successful campaigns in the research study were found to have a much higher direct network size⁹² (Figure 39).

⁸⁹ 60 day duration on the Indiegogo website.

⁹⁰ Dollars denoted as this was the currency used by the Indiegogo crowdfunding for the *LYHO* campaign and also the currency used by the majority of campaigns analysed in the crowdfunding research study

⁹¹ Over the course of the crowdfunding period the project only created online networks of 282 individuals on Facebook (See: <https://www.facebook.com/Laughyourheadoff/>) and Twitter (See: <http://www.twitter.com/lyhotweet>).

⁹² Used in the research study to denote the number of social connection directly linked to social media accounts held by the campaigners

Campaign	Target Goal	Amount Raised	DNS
<i>Successful</i>			
<i>Don't Move</i>	\$4,000	\$5,000	8,584
<i>The Meter Man of Le Moutrechon</i>	\$4,000	\$5,636	9,098
<i>Girls Blood</i>	\$4,000	\$4,258	5,314
<i>The Sneaky Boa Brothers</i>	\$4,500	\$7,415	2,915
<i>Family Owned and Operated</i>	\$4,600	\$6,470	3,154
<i>Luska Markets</i>	\$3,194	\$3,558	12,423
<i>Failed</i>			
<i>My Only Son</i>	\$4,000	\$900	1,624
<i>I never talk to strangers</i>	\$4,800	\$899.2	1,866
<i>A Guide to Becoming a Celebrity</i>	\$4,921	\$16	450
<i>Citizen First Responders</i>	\$4,800	\$370	192
<i>The Boss Lady</i>	\$4,887	\$229.7	162

Figure 38: Crowdfunding Campaign Target Goal vs. DNS comparison⁹³

A lack of momentum within this network is also indicated with few ‘shares’ being motivated by the campaign⁹⁴. This indicates a lack of interest in the campaign and a failure to move the campaign into the ‘getting the crowd’ phase. In comparison successful campaigns in the research study were found to have much higher rate of Facebook shares⁹⁵. A lack of search results also indicates the failure to reach the ‘getting the crowd’ phase. While attempts were made to publicise the campaign via websites and forums there was a lack of subsequent interest. This may allow us to question the campaigns quality, as websites are motivated by a need to offer content that maintains audiences and reputation.

There were also shortcomings with *LYHO* in terms of the factors relating to ‘Campaign Management’. Campaign management factors can help address ambiguity and uncertainty of artistic products, and include factors such as pitch quality and reward quality. These factors can help address concerns about the campaigners ability to produce the proposed entity and provide evidence of passion and preparedness to build trust and relationships with prospective backers.

⁹³ Campaigns chosen due to similar target goals to the *LYHO* campaign

⁹⁴ 2 shares to Facebook and 7 shares to Twitter.

⁹⁵ *Mdn* = 394.

The *LYHO* campaign however did not effectively address these issues. Firstly there was a lack of existing content precedence. The crowdfunding campaign was initiated to develop the first film for the project, as such there was no content to create LEX or DEX. Links to examples of WÖNKY's precedence outside of the *LYHO* project were also not made explicit upon the projects website⁹⁶ ⁹⁷, or subsequent Indiegogo online campaign pitch⁹⁸. The original project explainer video⁹⁹ also lacked detailed information about the project and featured few examples of the films content. In tandem there was a lack of detail in the project pitch to evidence the passion behind the project and why it must be made, or detail of why the funds were required.

In comparison one of the successful campaigns analysed in the research study 'Lives In Transit'¹⁰⁰ showed evidence of content precedence with a set of 10 previous films that had achieved over 100,000 views, whilst the listed campaign founder had previous precedence speaking at institutes such as Stanford and Google. This was coupled with a detailed text description that went as far as to address project 'Risks and Challenges' in detail.

The *LYHO* campaign also suffered in terms of reward quality. Rewards in crowdfunding are argued to be a major motivation for contributions (Kuppuswamy and Bayus 2013). However, the *LYHO* campaign rewards lacked depth, offering only posters or intangible thank you style rewards, and failed to even offer the finished film as a reward. One reward that may be considered 'unique' was the option for backers to have a character in the film styled on their appearance. Yet, this reward was a highly priced (\$400), thus increasing the DEB required to purchase this item.

The personalised character reward also provides evidence of content precedence in rewards, which argues the value of the personalised character would increase in relation with two factors. The first is the illustration being provided by a 'well known' or 'famous' artist, which increases the tangible value of the personalised illustration. For example in the research study many failed campaigns had rewards that offered Skype calls with the film director, the value of which increases if the

⁹⁶ <http://web.archive.org/web/20111104202115/http://laughyourheadoff.co.uk/>

⁹⁷ <http://web.archive.org/web/20101216041220/http://laughyourheadoff.co.uk/>

⁹⁸ See: <https://www.indiegogo.com/projects/why-did-the-chicken-cross-the-road>

⁹⁹ See: <https://vimeo.com/17001784>

¹⁰⁰ See: <https://www.kickstarter.com/projects/896398266/globally-collaborative-filmmaking-lives-in-transit>

director is an established personality (e.g. Steven Spielberg). Yet, when the offer is \$45 for a Skype call with an unknown college student the value is questionable. The second factor is the final film being seen by a large number of individuals, which increases the recognition value for the consumer. For example, a promotional link offered by the 'Mario Warfare' campaign, which was analysed in the research, holds greater value than others who offer similar rewards, as the campaigners can refer to viewing figures in excess of 1,000,000 based on previous content precedence. The *LYHO* campaign however lacked the content precedence to add the 'well know' credibility, or prior examples of films reaching a large audience.

This lack of content precedence can also be attributed to the value of the 'Screening Party' invite reward. This reward suffers from what is labelled as geographic vulnerability (GV) as it is tied to a location. GV in rewards was also common amongst the campaigns analysed in the research, however the analysis found that successful campaigns backed GV with tangible rewards or compensated for it. For example, setting a date and location for film premieres, or offering to travel to the backer.

These findings suggest that success on crowdfunding is a question of engagement. The nature of crowdfunding places the monetary barrier to entry in a unique position as it is situated pre-production before the product has been produced. As such those wanting to participate must have DE with the producer to determine the value of the transaction. However, as the transaction is placed pre-production determining value can be difficult as the main value element lies in the future proposed creative entity. With the main value signals in the future, the audience must fall back on the information available to determine whether the producer can deliver on the promised value. As discussed, this information may be determined through existing content precedence, subsidiary content around the value proposition, existing relationships with the producer, or signals of intent from other consumers, much of which is developed through DE. Thus, those with an established DE following are likely to find success easier to come by.

DE motivates DEBs in the form of the crowdfunding contribution. Without existing relationships creators are likely to struggle and the campaign pitch document becomes more important to in determining success. 'Campaign

Management' factors relating to pitch quality, level of detail, and content precedence, can help build a DEX when viewing the campaign pitch to motivate DEB contributions. Failing to provide these elements will lead to the consumer losing interest and disengaging from the DEB. Extrinsic motivators such as rewards also become important when there is a lack of DE. Compelling reward propositions can motivate consumer engagement, yet these rewards must then deliver an DEX to turn extrinsic interest into a future intrinsic interest and motivate continued engagement.

The *LHYO* campaign failed to address these issues of engagement and the insight from the crowdfunding study provides a hindsight view into the mistakes of the *LYHO* campaign. The conclusions of the study and failings of the *LYHO* campaign suggest that crowdfunding should not be seen as a quick fix solution. A successful campaign can be a significant investment of resources, not dissimilar to traditional sources of funding that crowdfunding is proposed to circumvent. These findings bring the ability of crowdfunding to aid upcoming or unknown filmmaking talent into question.

Establishing the elements identified within 'Network management' and 'Campaign Management' requires resources over a sustained period, which individuals and SMEs face a continued struggle to provide. This means those richer in terms of established identity, resources, and social capital, are able to benefit with greater ease. As more people look towards crowdfunding and its platforms become crowded this problem is likely to increase, as those with greater resources are better equipped to differentiate themselves and stand out.

This has been the case in recent examples of established identities using crowdfunding platforms to fund projects with significant funding goals. Within the field of animation, Aardman Animations launched a Kickstarter £75,000 campaign in 2013 to bring back the stop-motion character morph¹⁰¹. Cartoon Hangover also launched a campaign and targeted \$600,000 to fund a full series of one of the Too Cool! cartoon pilots 'Bee and Puppocat'¹⁰². In live action filmmaking examples include established directors such as Spike Lee¹⁰³ and Zach Braff¹⁰⁴ who both sought over \$1,000,000. Creators like these can arguably finance their project through other

¹⁰¹ See: <https://www.kickstarter.com/projects/1961548517/all-new-adventures-of-morph-from-aardman-animation>

¹⁰² See: <https://www.kickstarter.com/projects/frederator/bee-and-puppocat-the-series>

¹⁰³ See: <https://www.kickstarter.com/projects/spikelee/the-newest-hottest-spike-lee-joint>

¹⁰⁴ See: <https://www.kickstarter.com/projects/1869987317/wish-i-was-here-1>

means not available to independent artists and companies. Their established bodies of work mean they have greater credibility to obtain more traditional routes of funding unattainable by SMEs. This has led to controversy surrounding some of the above-mentioned cases with arguments claiming these campaigns take attention away from smaller artists. For example, in a twitter exchange editor of prominent animation website Cartoon Brew Amid Amidi argues cases like these illustrate that tools designed to help ‘indies’ have been co-opted by the wealthy for self-promotion (Amidi 2013).

Kickstarter refutes these claims by arguing these established creators bring a new audience to the platform who go on to fund other smaller projects (Chen et. al, 2013). However, as more projects seek funding on these platforms backers only have a finite amount of money they can pledge, which established enterprises/personalities are better positioned to attract through DE. Systems like ‘Staff Picks’, ‘Most Popular’ and ‘Most Funded’, where projects like Spike Lee’s were featured also leads to a continuation of ‘the rich get richer’ as these filtering systems encourage backers to fund what is already succeeding. Also, as more established creators see the successes of established predecessors the amount of established ‘celebrity’ campaigners is likely to increase. This may make backers more reluctant to fund projects by lesser-known individuals due to the perceived risk of investment in light of more viable alternatives. Therefore, similar findings are found to those discussed in the previous chapter and the ability for SMEs to compete and utilise opportunities available reduces over time.

Pay What You Want and Willingness to Pay

In this research PWYW forms of monetisation have been attempted with the short films and short film Apps, and also with *SMTA* and the *SMTA* App. A research study conducted via an online survey¹⁰⁵ was also used to gather insight into the WTP for short animation content, with results showing support for the PWYW model.

In Theory

In the theoretical background it was stated that individual consumers have different reasons for consuming the same media, as such the same media will offer different meanings and consequences to the each consumer. Thus, it was proposed that the

¹⁰⁵ For full study see Portfolio G, p399-430

PWYW model might be best suited to capture these individual differences and capture what Shirky (2003) calls a ‘Fame vs. Fortune’ dilemma.

The nature of creative content like that studied here, also particularly lends itself to PWYW forms of monetisation. As previously suggested, these products are surrounded by abstractness, subjectivity, and uniqueness, that makes value hard to determine without prior use (Botti 2000; Lopes and Galletta 2006). Thus, it has been argued that these products may benefit from a variable pricing strategy (Nojima 2007). Filmmakers are also situated in a position where the desire for an audience is as strong, if not stronger, than their desire to monetize their creations. *“I would like people to see my work more, but not necessarily make tons of money”* (BR 2014, Video-Phone Interview, Appendix I.3, Line 343-344)

Short films are often a means of expression for creative ideas that cannot be fulfilled through work-for-hire roles, and are developed for the love of the art form rather than a specific money making intention (Kander 2013; Kander 2014). Yet, there is still an acceptance that the ability to make these short films and reach an audience comes via the need to find some form of financing, creating what was described in one interview as a vicious circle.

“I guess getting it out there is more important, but I suppose people have to somehow find the funding for it to make the thing in the first place [...] So It’s kind of a weird vicious circle” (Lee 2014, Interview, Appendix I.1, Line 118-122).

Thus, PWYW may provide a way to balance the desires for an audience with a need for financing for sustained content production and answer both the Fame and Fortune aspects of a creative’s dilemma.

The research study *“Engagement and Willingness to Pay for Short Form Animation Content Online”*¹⁰⁶ sought to find evidence that may support these propositions. The paper was based of the hypothesis that consumers with passions and interests within the field of animation (Insiders) would demonstrate a DE with, and thus a subsequent higher WTP, for animated short films than those with less passions and interest (Outsiders). Based on this perspective creators of these short

¹⁰⁶ For full study see Portfolio G, p399-430

films may find success in generating revenue from their works by employing a variable pricing strategy.

To test this hypothesis the study used an online survey¹⁰⁷. The survey focused on the respondent's consumption habits for short animation content online, their motives for consumption (identified through agreement towards a series of 30 gratification items), and finally their payment perceptions and WTP for short animation content online.

Results from the online survey indicated differences between the insiders and outsiders across each of the survey sections; consumption habits, motives for consumption and WTP. Firstly insiders were shown to consume more animation content online and were also more likely to use Vimeo as their primary source of consumption. This shows their greater interest in the media and suggests they may be a more discerning viewer, as Vimeo is known as a niche community of likeminded highly engaged filmmakers.

Secondly, insider reasons for consumption demonstrated broader range of motives, combining both ritualised (entertainment, pass time, enjoyment) and instrumental use (inspiration, improve own skills). This was opposed to the outsiders who indicated being motivated by ritualized use only. Finally, the insiders displayed a higher WTP and WTP more.

However, the results also indicated that WTP was in the minority and payment amounts were unlikely to fully compensate for filmmakers expenditure¹⁰⁸. The study also warns that whilst the insiders did display a higher engagement with the animation medium this will not be the case in all encounters of the medium. Only those that raise engagement to higher degree (e.g. DE) will elicit WTP. With this in mind the study also looked at links between engagement and motives for payment to gain insight into what may be most influential in motivating payment.

Results indicated that WTP was strengthened by existing relationships and engagement with audiences, and also through a deeper interest (longer time spent consuming) and valuation of the medium (desire to aid the mediums continued production). This would suggest the importance of building audience relationships

¹⁰⁷ Online survey questionnaire, total of 108 responses 48 Insiders and 60 outsiders

¹⁰⁸ $M = \pounds 1.81$

and integrating oneself in a community of likeminded individuals. Such insight was also offered during one interview, where it was suggested that while some people are able to monetise their independent work it is unlikely for those yet to build a profile.

I think especially with short film its kind of something unless you've got a big name behind it, nobody is going to pay for it (ST 2014, Telephone Interview, Appendix I.5, Line 299-300).

Here engagement is shown to be key to the ability to monetise with those displaying DE demonstrating a greater WTP than those with LE. Thus again the VCOE comes into play where financing may be sought from content to maintain engagement and establish DE, but unless this DE already exists there is a un-WTP for content. This leads the creator into a vicious cycle where they are hampered by their inability to create engagement.

“the audience doesn't really help us if we can't make something else 'cause then, yeh we can't make anything else for the audience.” (TL & SJ 2014, Telephone Interview, Appendix I.4, Line 620-622)

The PWYW model though may help in capturing the varying degrees of audience engagement and capture both sides of the Shirky's Fame vs. Fortune dilemma. It allows those with only LE to consume the content without having to overcome risks of payment barriers, addressing a filmmakers desire to reach an audience. Whilst those with DE can consume a medium they value and reciprocate to a level they see fit, addressing the need to derive revenue that can support the continued production of content.

In Practice

The research study only offers a hypothetical situation and may not reflect how a consumer would respond if confronted with the option in real life. Sherry et al. (2006) argue that there is a danger that some may respond in a way they perceive presents an idealised version of behaviour. Thus, attempts to utilise PWYW methods have been applied to WÖNKY short films, and on the *SMTA* website and *SMTA* App.

PWYW attempts in the WÖNKY short films have been implemented by utilising the Vimeo 'Tip Jar' (Figure 41), and via 'Fuel This Film' buttons within the short film websites (Figure 42) and Apps (Figure 43). However, these methods have failed

to generate any revenue, exemplifying the fact that monetisation in digital environments is difficult when the consumer has a multitude of free alternatives.

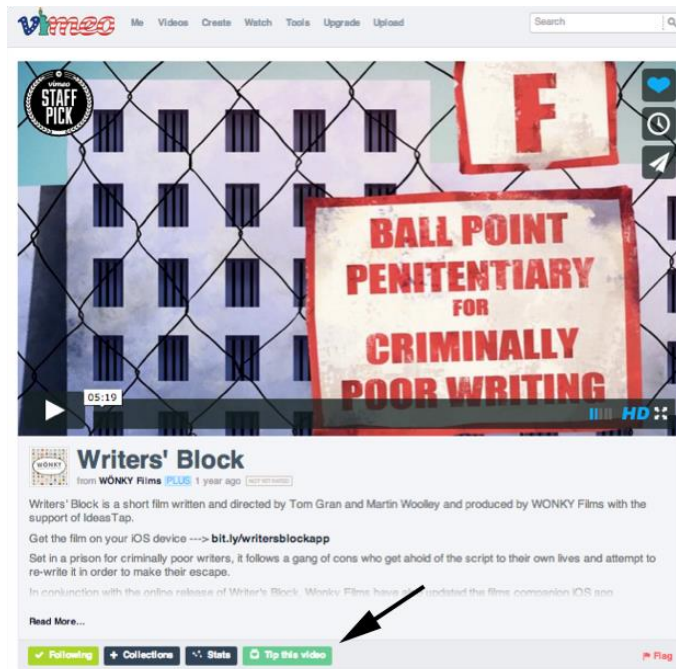


Figure 39: *Writers' Block* on Vimeo with TipJar activated¹⁰⁹

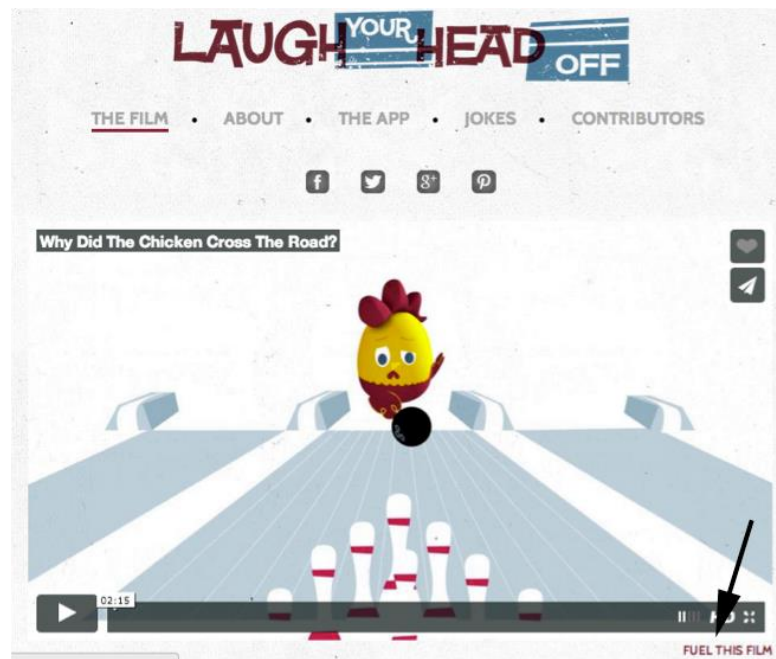


Figure 40: Fuel this Film option on LYHO website¹¹⁰

¹⁰⁹ Screenshot taken 1 July 2014. See: <https://vimeo.com/60097083>

¹¹⁰ Screenshot taken 1 July 2014. See: <https://laughyourheadoff.co.uk>



Figure 41: *The Nether Regions* App PWYW options¹¹¹

As argued in relation to the research study, WTP is in the minority, therefore suggesting a high number of viewers are likely to be required. This may be evidenced in one of the interviews where the animator had also implemented a form a PWYW by releasing their film for free, but also offered alternate endings for a small fee. Despite achieving over 35,000 views the conversion of people who opted to support the work through paid options was limited.

“I think I sold like 10 or something like that and it was worth like you know pittance” (WA 2014, Telephone Interview, Appendix I.7, Line 463-464).

The animator does go on to say that if the film had achieved in the region of 1,000,000 views then the total payments may have converted into something more worthwhile. Yet, based on the same ratio, 1,000,000 views would have generated approximately 200 paying consumers, which would still have raised insignificant revenue¹¹² based on the time invested into making the short film and creating the alternate endings. Similar instances can be seen with the work of BAFTA winning animation duo ‘The Brothers McLeod’ who have been cited in press interviews stating that the conversion between those watching for free and those willing to pay is extremely low. In comparison to a short they released online for free and gathered 200,000 views, one they have placed behind a Vimeo pay wall has only generated approximately 100 purchases (McLeod 2013).

¹¹¹ iOS screenshot taken 1 July 2014 from: <https://itunes.apple.com/us/app/nether-regions/id685282620?ls=1&mt=8>

¹¹² Maximum potential of \$990 based on the top priced download offered at \$4.95

For WÖNKY such viewing figures have not yet be regularly achieved, exposure has been highly variable, and thus no revenue has been generated. This is in part due to the low WTP for such content, but may also be due to the way in which the PWYW is implemented on these platforms, particularly on Vimeo. The Vimeo ‘Tip Jar’ option is only visible to viewers watching the film upon the Vimeo platform, and not on sites where the video may have been embedded (Figure 43). For *Writers’ Block* over 30,000 views have come from embedded sources¹¹³, thus the majority of viewers will have never seen the PWYW option. Even when the film is shown via the Vimeo Staff Picks channel the tip jar option is not visible (Figure 44). This presents a real limitation of the tip jar option, especially when digital environments are driven by the notion of sharing content.

As for the PWYW options implemented upon the short film websites and in the Apps, it may be argued that there has not been enough views on these platforms to capture those willing to pay. For example, only 0.04% of views for *The Nether Regions* have come via the films website and App.

The levels of engagement may also not be to the depth required to motivate a WTP around WÖNKY’s content. The DEB of entering into a PWYW transaction, especially when the consumer is still able to consume for free, requires DE. Yet, there is a lack of evidence to suggest this level of engagement has been generated around the WÖNKY content. For example, as suggested above consistently high viewing figures for the short films are yet to be achieved. This would suggest that there is not yet a ‘ready’ audience receptive to new content without the need for additional credibility provided by third party sources such as ‘Vimeo Staff Picks’.

¹¹³ Data obtained from Vimeo Stats



Figure 42: *Writers' Block* on Short of The Week - Lack of Tip Jar Visibility¹¹⁴

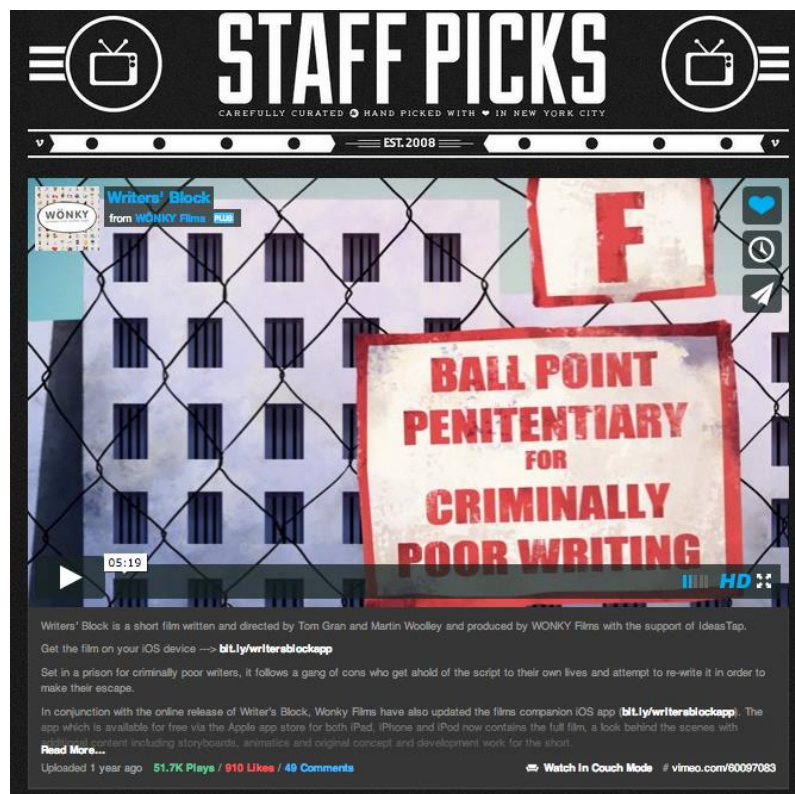


Figure 43: *Writers' Block* on 'Vimeo Staff Picks' - Lack of Tip Jar Visibility¹¹⁵

PWYW monetisation has also been attempted through the *SMTA* website and *SMTA* App. On the website this has been captured in the form of a 'Buy us a Coffee' contribution system that asks the audience to contribute towards the website if they wish. This was set up in similar vein to the act of 'online busking', which is not

¹¹⁴ Screenshot Taken 1 July 2014 from: <http://www.shortoftheweek.com/2014/04/17/writers-block/>

¹¹⁵ Screenshot Taken 1 July 2014 from: <https://vimeo.com/channels/staffpicks/60097083>

uncommon for creatives producing content online. Since this feature went up on the website in November 2013 the site has received two contributions amounting to £6.90¹¹⁶. Such revenue illustrates PWYW lacks the ability to support continued development in a sustainable manner. It also reinforces the conversion of those displaying a WTP is very small. Those contributing did so to reciprocate value derived from *SMTA*. One cites an understanding of the hard work invested in running and maintaining sites like *SMTA*, while another donated after their work was featured on the site, thus reciprocating based on the value of exposure. This displays evidence of a DE among these individuals through a deeper appreciation of the work and value derived from the *SMTA* site, which subsequently motivates the DEB donation. This is akin to the connoisseur analogy presented in the engagement and WTP research paper, which argues it is those who truly appreciate the medium who will be the ones most likely to pay.

PWYW implementation on the *SMTA* App is similar to the WÖNKY short film Apps. Consumers are able to ‘fuel’ some of the short films included in the App if they wish to support the filmmaker. However, to date no revenue has been derived from films utilising the PWYW method¹¹⁷. Like the WÖNKY shorts film Apps there has been difficulty in attaining visibility, which subsequently limits engagement with the films included and the ability to derive revenue as a result. Yet, even so, the evidence here shows that in digital environments dominated by free content few consumers have a WTP.

Advertising

Advertising has been explored to a lesser extent due to a reluctance to implement it because of its negative connotations in respects to the users experience and proven limited ability to gain revenue (Reich held and Schefter 2000; Wang et al. 2002; Groeneveld and Sethi 2010). With regards to the short film apps the use of advertising in particular would be disruptive to the experience in which an atmosphere in relation to the film is trying to be conveyed. Despite its limited use, the insight presented does provide evidence of the vast audiences required to make advertising effective, which are often out of scope for the type of content at the focus of this research.

¹¹⁶ Correct as of 24 September 2014.

¹¹⁷ Correct as of 24 September 2014.

Advertising has been implemented within *SMTA* both upon the website and within the App. Google AdSense adverts have been running on the site since January 2014, generating £11.93, with a page RPM of £0.30.¹¹⁸ On average *SMTA* attracts 4,348 visits and 9,179 page views per month¹¹⁹, thus illustrating the audience size required to generate enough revenue to make advertising a viable method for sustaining *SMTA*. For example, the cost of maintaining the *SMTA* website over a year is approximately £5,000¹²⁰, in terms of resources invested into updating content and site maintenance. To generate revenue to cover these costs, visits would need to increase to over 500,000 per month¹²¹. Such scale is beyond *SMTA* without greater resources investment to increase the content offering and attain greater exposure. Similar insights have been found in the advertising revenue created from the *SMTA* App. In the App adverts are placed around interview content, as well as before and after films where the filmmaker opted for ads as a revenue option. These adverts have been implemented using the Apple iAd network and Google AdMob network. In total the advertising revenue generated has been insignificant, generating only £2.14,¹²² and with the current eCPM values¹²³ this is unlikely to improve without significantly greater audiences.

However, this can lead to a paradox of popularity; where the more popular an entity becomes the more the demands and pressures on resources become, yet there is a need to be popular to monetise/retract value from the entity. As *SMTA* has developed, and its audience has increased, so to has the pressure on resources to maintain the site, with an increase of film submissions demanding time to review. This has been combined with initiating more activity around the site (*AniJam* and *Do It In Ten*) to increase attention. While this is required to increase engagement and monetisation potential the question that remains is how far resources can be stretched before this balances out or resource investment is pulled.

The popularity required for advertising to be effective can be difficult to achieve and as stated in the introductory sections, even the largest online publishers can struggle with advertising revenue (Groeneveld & Sethi 2010). Thus, whilst

¹¹⁸ Data obtained from AdSense Analytics. Correct as of 28 August 2014.

¹¹⁹ Data obtained from Google Analytics. Correct as of 28 August 2014

¹²⁰ Based on 1 day a week invested into updates and maintenance

¹²¹ Based on the current £0.30 RPM

¹²² Data obtained from iAd and AdMob insights. Correct as of 24 September 2014.

¹²³ iAd = £0.92, AdMob = £1.93

advertising provides an easy to implement form of monetisation, its effectiveness comes into question due to the limited audience sizes that are achievable. Audience sizes are particularly limited due to the niche audience of consumers interested in independent animation content.

“the audience, just like, just doesn’t really exist. Like animation fans are really few and far between” (WA 2014, Telephone Interview, Appendix 1.7 Line 504-505).

The difficulty in earning any significant revenue from advertising is finally evidenced in the distribution agreement for *Writers’ Block* with Future Shorts. This agreement means WÖNKY will earn 50% of any advertising revenue the short earns. Based on the views accumulated on YouTube revenue earned will be \$1.32 – \$11.02¹²⁴ depending on the videos CPM rate. Therefore, this streaming revenue alone is unlikely to provide a significant return on investment for the creators whose short films appear on the YouTube channel. Again we may question who benefits the most from the output of creative talent through these types of curated platforms. Future Shorts earns revenue for each film published on the channel, while each individual filmmaker only earns revenue based on their one film. This makes the individual filmmaker reliant on gaining high levels of exposure, which as established can be highly variable and difficult. However, without the creative output of the filmmakers Future Shorts would not have this content to build an audience and earn revenue from.

Therefore, those benefiting the most from the creative output of independent short film content may not be the filmmakers themselves but the curation platforms, and above those the aggregators that host content and serve adverts like YouTube. Curators and top-level aggregators, who circumvent the demands of creation, can provide the frequency of delivery required to build engagement and thus retain ‘keys to audience attention’. Filmmakers and creatives in their desire for exposure are thus reliant on these platforms, which can then exploit these creative efforts for their own gain. This creates an inherent unfairness where the actual creators of content benefit the least from their creative talents and original content production. In environments dominated by free where the consumer lacks a WTP, creation has little, to no

¹²⁴ Based on 8821 views on the channel as of 24 September 2014. Approximate calculations provided by <http://ytcalc.com/>

monetary value. Instead value lies in the curation, or aggregation of content that controls access to, and guides consumer attention in highly competitive environments.

This is made more difficult for SMEs and unknown creators by rich-get-richer dynamics, where Dixon (2013) argues aggregators at the top have control over what exists, what gets promoted, and favour the status quo. This dynamic is in their interests as content from established players brings in audiences and subsequently engagement behaviour benefits (e.g. WOM and monetisation). This leads to the perpetual nature of the VCO_nE for smaller and un-established enterprises who continuously find it difficult to gain exposure, build engagement, and monetise content, thus hampering their ability to deliver original content.

Monetisation Limits

With each type of monetisation discussed here a common theme arises in the need for strong audiences and DE. Crowdfunding requires a strong audience foundation to launch a campaign, with that audience requiring DE to enter DEB transactions and WOM activities to promote the projects. PWYW requires DE for the consumer to appreciate the value of the content and overcome the desire to get the product for free. As shown in the research study, it is those with a deep understanding and interest in the specific medium whom are most willing to pay. Those willing to contribute in a PWYW transaction are also in the minority, thus requiring a large audience to make this form of revenue viable. Finally advertising requires a large audience for revenue to provide a viable income; again this comes from building DE. Whilst advertising allows for LE risk free entry, in order to build and sustain the audience DE must be developed in the long term. DE can lead to loyal customers who are more motivated to act out engagement behaviours such as WOM activities that further develop the audience.

However, the audience sizes needed for PWYW or advertising to be effective are uncommon within the independent animation scene. Crowdfunding may therefore be the most effective method for SMEs seeking to finance their creative projects. Although this research warns of the difficulty in making crowdfunding work, if the advice given is heeded in terms of ensuring a strong first degree network, a body of content precedence, and providing a compelling project proposal, practitioners will

be better positioned to find crowdfunding success. However, the amounts crowdfunding provide are unlikely to provide long-term viability and may only provide a method that allows a continued struggle to make creative work. Amounts generated are usually focused on the production of one artefact, thus the resource effort of seeking investment begins again when finance is sought for a new creative entity.

Insights from those interviewed suggest monetising independent animation content is difficult due to the lack of mainstream appeal and ability to consume easily for free.

It's extremely difficult to convince people that they should part with some money to buy a thing off the Internet, when the Internet is absolutely bulging at the seams with free stuff" (SM 2014, Video-Phone Interview, Appendix I.8, Line 646-648)

Even some of the most respected independent animators struggle to derive revenue from their independent works and thus rely on commercial work-for-hire roles (McLeod 2013).

"even people who have got films and won BAFTAs and got them out there, I think they haven't even necessarily made money making their films. They're making money doing other stuff" (TT 2014, Telephone Interview, Appendix I.5, Line 303-306)

The nature of short film content means they lack 'replay' value. Unlike games and music that can offer prolonged engagement through repeat experiences, short films are often one off experiences, which arguably limits WTP. Therefore new methods of monetisation for such content are needed if their production is to be made more sustainable. Animation focused companies may need to centre greater attention into fields such as games where their skill base and characters can be exploited, if there is a desire to monetise original content.

Work around WÖNKYs short film content in this research has begun this shift in attention to more game related content through the short film Apps. Yet, this will require much greater development to take them beyond mini-game extensions and build compelling experiences that draw upon the films characters, and narrative

worlds, to create DEX that motivate a WTP. A shift into game focused areas faces the same challenges and limitations encountered in this research in terms of competition, free alternatives, and large audiences, to create viable revenue. However, the market for games is more mainstream than short films.

“Its not like a game where you can use and use it an use it, I think especially with short films its kind of something unless you've got a big name behind it, nobody is going to pay for it” (TT 2014, Telephone Interview, Appendix 1.5 Line 298-300).

The market for short films alone in terms of WTP is limited and the best options for filmmakers may remain in using these projects as platforms of exposure that may lead to future work-for-hire roles, which can in turn fund more independent work. However, as discussed the ability generate views and exposure is highly variable. The practice of releasing content for free also arguably contributes towards reducing consumers WTP by increasing the wealth of free alternatives.

“So I made my film and I just stuck it on the Internet for free [...] that means that somebody whose trying to make money out of making a short film there's less room because the market is flooded” (SM 2014, Videophone Interview, Appendix 1.8 Line 650-654).

This then devalues the labour invested into making the film, which leads to problems with the perceived value of creative labour and increasing practice of creative talent being asked, or expected, to work for free in return for ‘exposure’. Thus, filmmakers may face a continued struggle to find revenue that funds the production of independent work, and face continued on-off patterns of production due to the reliance on work-for-hire roles. Without greater external support production will therefore remain in a state described by Animate Projects (2013) as *“neither desirable nor sustainable”*, and means the UK will continue to fail to capitalise on, or diversify, its animation talent.

7. Concluding Discussion

Summary

Through the experiences encountered with five practical projects and strengthened by the knowledge presented in four research projects, this thesis makes a series of contributions. In the following section these contributions, their implications, and recommendations for future research, are discussed. A summary of the contributions made in this research are presented first:

- 1) Developed a new conceptual model of engagement, termed here as a *Dynamic Shaping of Engagement*. Central to this understanding of engagement are the notions of LE/DE, LEX/DEX, and LEB/DEB, which work together to encapsulate the consumer's entire relationship with a producer. This model has been developed through a process of critical reflection on the multiple practical and research projects that make up this study, and used as a foundation of analysis upon these projects.
- 2) Through this process of reflection this work has captured and articulated a new understanding of the practice-led processes of SMEs within the creative industries, specifically animation, and highlighted the issues facing such companies as they attempt to deliver their own IP upon digital environments.
- 3) Identified key factors relating to engaging audiences relevant to SMEs, and established links between that engagement and methods of monetisation.
- 4) In doing so positive perceptions of digital environments for reaching audiences have been challenged, and a new critical positioning highlighting the inherent unfairness hampering growth in these environments is developed.
- 5) Original insight into crowdfunding and engagement has been offered in specific research studies, providing insight into the paradoxes faced by SMEs as they attempt both.
- 6) Finally, the developments of these research activities at WÖNKY have strengthened the companies positioning in digital environments and provided a platform for continued growth beyond this research.

These contributions therefore align with the research objectives outlined at the beginning of this study.

Contribution One

At the beginning of this work a *Dynamic Shaping of Engagement* was presented through a review of the existing literature on engagement and its related constructs. This *Dynamic Shaping of Engagement* introduced the notions of LE/DE, LEX/DEX, and LEB/DEB, and demonstrates engagement as an ongoing process to be built through the consumer's encounters with multiple experiences (DEX/LEX), which lead to global evaluations (DE/LE) and encourage varying degrees of subsequent action (DEB/LEB). This shaping of engagement does not separate itself from related constructs such as flow and involvement, but incorporates them as part of the process alongside challenge, motivation, action, and time.

Throughout the discussion of the research project findings, the *Dynamic Shaping of Engagement* and notions of LE/DE, LEX/DEX, and LEB/DEB, have been demonstrated in practice and used as a model for reflecting on the projects outcomes. As such this work presents a new model for understanding the process of engagement relevant to digital environments, which subsequently leads to the new knowledge and insight as discussed through the remaining contributions. In particular this includes the practice-led understanding of the methods and practices available to SMEs in digital environments and the paradoxes these raise (contribution three); and a critical interpretation of digital environments, which argues them to be far too variable and unguaranteed to enable sustainable content production (contribution four).

Using this model of engagement, the relationship between engagement and monetisation has also been established, with monetisation argued to be a DEB. Thus, monetisation becomes a practice of engagement; without pre-existing engagement deriving revenue from content can be difficult, and even with pre-existing engagement monetisation can still be difficult. The abundance of freely available content within digital environments reduces the value and engagement consumers place on each source of consumption, and thus reduces WTP as gratifications can be served by alternate sources.

Methods of monetisation such as advertising can reduce the behavioural element of engagement to LEB by removing cost barriers to entry. Yet, the behavioural element is not removed completely, as the audience sizes required by advertising

means DE must be developed to retain audiences and encourage LEB activity that can increase audience sizes further (e.g. WOM).

Contribution Two

Throughout this research the issues facing creative SMEs within digital environments in attempting to establish themselves and their original content have been presented. The practical projects combine to demonstrate these issues within a real world context and emphasise the difficulties faced by such companies.

The animation studio at the centre of this research operates within the creative industries, which have been identified as an important industry in aiding economic growth in the UK due to its ability to generate exploitable IP, which is increased by opportunities on digital environments. However, as has been shown throughout this research, the ability for SMEs (who dominate the industry in terms of employment) to realise their potential is consistently hampered by the following limitations.

1) The resource limitations of these SMEs mean they often lack the time, skills and finance to produce IP in a sustainable manner. This then makes it difficult for these companies to meet the 2) demands of online consumption, where the wealth of content means audiences are demanding content with increasing frequency. These difficulties are compounded by 3) a lack of external support available to these companies, especially within the animation industry where support has declined in recent years. 4) Also a lack of audience WTP leads to struggles faced in deriving revenue from the production of original content, meaning creative producers enter vicious cycles of production for future content. 5) The highly competitive nature of digital environments does not make it any easier for these companies to deliver their content once produced. Success in attaining visibility can be variable, with no guarantees of a return on investment. In these environments small companies are at a 6) disadvantage in comparison to larger enterprises, who are better positioned to take advantage and exploit opportunities available due to the affordance of time, financial and knowledge resources. This places SMEs at risk of the VCO_nE, which limits the innovative potential of the creative industries and the diversity of its output as few companies are positioned to benefit from IP generation and digital environments.

Contribution Three

Whilst this research captures the predominant issues facing creative SMEs, it also identifies factors for building engagement and circumventing the VCOE, which can then open potential links to monetisation. Firstly content precedence. Establishing a body of work is important to reduce uncertainty among audiences and provide evidence of one's ability to deliver value to the consumer, thus motivating their engagement. Content precedence also allows the audience to begin process of engagement where they can determine value through use, which is particularly important within the creative industries where output is experiential. These value judgements can then be used to motivate engagement behaviours, such as WOM activity, to reduce uncertainty in wider networks and encourage further consumption. By reducing uncertainty the risk of entering a 'transaction' is also reduced, thus making the consumer more receptive to paying for content. For example, in crowdfunding content precedence is important to demonstrate the campaigners capabilities in delivering the proposed project and motivating the crowdfunding DEB.

The need for content precedence leads to the second factor, time, which is required to develop content precedence. It has also been established that engagement does not occur from one off experiences, but as a process that develops through multiple consumption experiences. Therefore time is required for the company to produce and deliver these experiences and for the audience to consume and evaluate these them.

If experiences are delivered with consistency a stacking process towards DE can occur. The company is then able to develop a trusting relationship with the audience who become receptive to future content and also more likely to display a WTP for content from the producer. For example, it is shown in this research consumers are more likely to pay for content from a producer they have had a long-term relationship with, even if they have the option to consume for free. The trusting relationships also allow producers to retain the audience, which is important to sustain advertising methods of monetisation. Advertising then becomes more effective over time, as retaining the audience also presents a foundation to increase the audience size (through WOM and additional content precedence) thus making advertising increasingly viable.

A foundation audience network thus becomes the third factor in building engagement. The ‘first-degree’ audience can be important in providing initial traction. For example, the ‘first-degree’ audience can provide the initial foundation of views for video content that presents an initial appearance of activity. The ‘first-degree’ can then further increase activity through WOM and multiply the foundation audience. This can help give content the ‘boost’ it requires to gain the attention of ‘curators’ who can further increase exposure. The appearance of activity provided by a ‘first-degree’ audience can also be important for monetising content. For example, it can provide the foundations for an advertising method of monetisation. It can also be important in crowdfunding where the ‘first-degree’ can kick-start a campaign and encourage other consumers to back a project.

To manage these foundation networks SM tools can become important. These tools provide additional avenues of discovery and provide a platform to foster and maintain interactive two-way relationships. However, their use must be considered carefully, while SM may be perceived as easy and free to use, the resource effort required to utilise such tools presents an opposing picture.

A method for aiding the process of SM content delivery and reducing the demands of content creation leads to the fourth factor in building engagement; curation. Curation can be used to aid content delivery by reducing the resource demands involved in creation. This can therefore aid SMEs in circumventing the audience demands for content, which cannot be maintained by a creation approach. Curation has also been found to aid in establishing engagement as it can gain the attention of third-party sources. However, curation as a practice presents a double-edged sword in terms of who benefits most from the efforts of content creation (as further detailed in the discussion of contribution four).

The fifth factor in building engagement is collaborative partnerships. These partnerships can enable SMEs to achieve more than they can alone. Partnerships with more established enterprises can help SMEs increase the foundation network for content delivery, increase the available resources, and provide additional credibility to the smaller entity through a transitioning of engagement between parties. However, these partnerships must align to create long-term benefits. The smaller entity must be visible enough and the audiences of both entities must have

shared interests for engagement to transition between parties. Yet, as the larger enterprise tends to shoulder the resource burden they can be the more visible party in relationship, making engagement transitioning difficult. This leaves the smaller enterprise no better off, if and when, the partnership is severed.

The final factor is skills to deliver and manage the previous factors. Skills to 1) deliver content precedence with consistent quality to reduce audience uncertainty and develop trust with consumers. 2) Manage the transitioning of consumers between multiple experiences over time. 3) Maintain the audience relationships and manage tools such as SM to aid such relationships. 4) Manage a curation approach that aligns with the audience passions and interests to create trust and credibility, as well as managing curation so it compliments original content creation. 5) Identify beneficial partnerships that enhance the SMEs practices and contain long-term value where the SME continues to grow when the partnership ceases. However, often the skills to address these factors can be limited due to the resource limitations in the SMEs. Thus, as evidenced in this research these factors can also continue to perpetuate the VCOOnE.

Contribution Four

We are often presented with positive perceptions of digital environments bringing down barriers to entry and levelling the playing field for individuals and SMEs to compete (Leadbeater and Miller 2004; Leadbeater 2005; Bruns 2006; Howe 2009; Harris et al. 2012; Kim et al. 2013). However, this research finds the opposite happening; instead of creating a level playing field to foster democracy and diversity in creative output, digital environments amplify the success of mainstream content and lead to monotony.

Advocated benefits such as cheaper tools of production and more open access to audiences do exist, but these opportunities are also available to larger more established enterprises that are better positioned to take advantage. While methods such as partnerships, curation, and SM practices can aid the development of engagement, the ability to do so is ruled by resources, particularly in terms of finance. For example, promoted services to enhance audiences and promote content across SM services, or paid reviews to boost audience growth for App downloads. Also practices such as crowdfunding, which have provided a platform for smaller

independent creatives to gain finance for projects, have become co-opted by larger enterprises. These enterprises are better positioned to meet the factors required to overcome a VCOE, therefore leading to rich-get-richer ecosystems where SMEs face a constant battle to keep up.

Whilst success stories do arise from creative SMEs, these are counteracted by much higher rates of failure and stem from less than desirable production processes. Any success is also dwarfed by the increases in exposure for established mainstream media. This is coupled with the exposure attained for ‘viral’ products, driven by the nature of Internet culture and social herding of consumers that can disregard quality. The occurrence of the ‘Potato Salad’ Kickstarter campaign¹²⁵ illustrates this case. While many arguably more worthy campaigns struggle to attain attention, a ‘humour’ campaign set up to create potato salad is fuelled by a desire to drive an Internet meme.

The campaign emphasises the social drivers that fuel attention in digital environments and illustrates the need to create an emotional hook to engage audiences. As one commentator on campaigns furore argues, the campaign is not about potato salad, but about the novelty and joke of the campaign itself. In comparison the commentator claims many artists, or more ‘worthy’ projects fail to create this emotional engagement, instead focusing on the struggles they face rather than a compelling reason about why their project should be funded (Kuchera 2014). As stated in the introduction to this research, emotion is the strongest driver of engagement and can override more rational decision-making. The emotional desire to join in with the joke drives the momentum of the potato salad campaign, rather than the logical viewpoint that could question its absurdity.

“Best laugh I had in a while. You got my \$2. Looking forward to my photo”
(Beast, July 9 2014)¹²⁶

Finally the campaign again questions the value placed on content in environments filled with an abundance of sources of gratification. Creative campaigns are not just competing against each other, but against the multitude of content already available. The more content available the less value placed on each

¹²⁵ See <https://www.kickstarter.com/projects/324283889/potato-salad>

one as a source of consumption, which causes the difficulties of monetisation in environments of abundance. In comparison, The Potato Salad campaign offers something different to filter through the noise; a sense of novelty that offers shared emotional value.

The nature of digital environments experienced in this research fails to create a healthy or sustainable talent-bed for cultural production and many creative companies are spending hard earned resources producing independent work for little, or no return. Success is too random and un-guaranteed to create a viable environment to start businesses based on original content creation. The long production processes involved, not just due to other commercial commitments but also the intense labour required, means meeting audience demand for content is difficult for creative SMEs.

The required consistency of delivery for engagement suggests digital environments are set up for LEX rather than DEX production. Content that is shallow and fleeting in nature, but can be delivered with frequency, means LEX can be stacked together long-term and create global DE evaluations. The reduced resource demands of this LEX production means there are less risks involved in LEX creation. This means producers and editors can move on quickly if something fails, or to exploit trends, which can lead to markets being flooded with copycat artefacts as people attempt to ‘cash-in’ on popular artefacts.

For example, the viral popularity of the iOS game Flappy Bird led to many producers flooding the iTunes App Store with copycat games. Thus, rather than diversify the wealth of content available digital environments encourage tried and tested production. This presents a troubling situation where innovation is discouraged and it becomes difficult for DEX producers to compete, as the frequency of delivery is unattainable.

Difficulties for DEX production continue as the market for deriving value from original content in terms of exposure and monetisation is so variable. Especially when the consumer has an abundance of free alternatives to gratify their desires. The instant gratification provided by digital environments are leading to situations where our perceptions of value for creative works are reducing; the more sources of gratification a consumer has to choose from, the less value they place on each. This

is compounded by a creatives desire to gain exposure, which leads to content being released for free, further reducing the value of those attempting to monetise. The more content released for free, the more the consumer becomes reluctant to pay. Thus, the practice of releasing content for free means creatives are devaluing their own work. This then leads to the devaluing of creative labour as a whole and increased expectancy to work for free in exchange for ‘exposure’.

Desire for exposure means creators also become reliant on content aggregators and content curators, who circumvent the resource costs of creation and can deliver content to meet consumer demand. This places them in a position where they can benefit the most from the production of others. The frequency of delivery that these platforms can attain allow them to stack engagement through the consistent delivery of LEX, or LEX/DEX, to build DE, and through this engagement they can encourage LEB and DEB that further enhance their audiences and engagement.

This creates an inherent unfairness in digital environments where those creating the content are not the ones benefiting from its production. Instead creators are reliant on aggregators and curators to attain exposure and potential revenue. However, top-level aggregators benefit for the entire accumulation of creative works and then tax creators for access to attention. Beneath the aggregators curation platforms then benefit by guiding consumers through the wealth of content on aggregated services and create engagement through the content of others. They are then able to reap the benefits of this engagement through behaviours such as WOM and the increased potential to monetise audiences through advertising.

These systems work if the benefits transition back to the creator, but often content becomes far removed from its original context of creation and links to the original creator are not established. Therefore, creators are consistently faced with vicious cycles of production in relation to acquiring finance and finding the time to produce original content, and developing audiences and attaining exposure when delivering content. The act of creation thus becomes less valuable in digital environments.

Contribution Five

The contributions of the practical projects are enhanced by the research studies incorporated in this work. In particular three specific research studies provide insight

into engagement and methods of monetisation, and the paradoxes faced in attempting both.

Firstly, original insight is provided into the crowdfunding method of monetisation through a study that aimed to understand how SMEs might achieve success with the approach. The findings of this study identify crowdfunding not as a quick-fix solution to a funding shortfall but a significant investment of resources. The study identifies *Campaign Management* and *Network Management* as important factors in a campaigns success. However, the attributes of these factors, including content precedence and established audience networks, lead to the questioning of crowdfunding's ability to significantly aid upcoming or unknown creative talent. This then leads to a paradox; the companies that might gain from such funding the most may be the least likely in the long-term to benefit from it.

Secondly, insight is developed into engagement and subsequent WTP in relation to the consumption of short animation content online. This study indicates that consumers who have a wider range of U&G gain greater value from short animation, and subsequently display a greater WTP and pay more. This shows support for dynamic pricing models (e.g. PWYW) based on the Fame vs. Fortune dilemma (Shirky 2003), and the dominant desire for exposure within creatives. However, the study also shows that WTP is in the minority and for small amounts of money. WTP is also linked to existing engagement (DE leads to DEB), thus showing established entities are better positioned to elicit revenue from the consumer. Therefore, the study continues to demonstrate the difficulties faced in deriving revenue from content and the overall lack of monetary value placed on content by consumers.

The insight linking existing engagement to WTP leads to a paradox of engagement and production. In this paradox monetary DEBs from original content production are sought to reduce the burden on resources and a reliance on work-for-hire projects. Yet, to motivate this DEB content stimulus or existing engagement (thus the resources to produce) is required, creating a chicken and the egg moment of which comes first. This leaves SMEs at risk of vicious cycles of production, as unless monetary DEBs can be encouraged a reliance on work-for-hire roles remains, which as shown through this research, hampers production and limits the ability to deliver content in a manner that develops engagement.

Finally, original insight into SM as a practice that can allow SMEs to establish engagement is delivered, with a specific focus on creative SMEs use of SM. This study finds a common perception that SM is free and easy to use. However, despite these perceptions many study respondents are failing to generate significant SM followings and only display a part time approach to SM usage. The study adds to the insight that counteracts suggestions that digital environments offer a level playing field for SMEs to compete and attract audiences. With the caveat ‘you get what you put in’ standing true, again we find tools where larger enterprises are better positioned to take advantage. Like crowdfunding, this is likely to increase as SM becomes more crowded and expendable resources become more important in gaining visibility.

Contribution Six

The development of this research, where activities have been related to work at WÖNKY, has meant the company has been able to strengthen its positioning in digital environments. In comparison to the beginning of this research, the company now has an increased online presence through the digital delivery of short films and SM networks established during the practical project activities. This online presence is enhanced by the development of the *SMTA* project, which provides a secondary presence that can be utilised as a source of value by the company.

Outside of the specific research activities my practical role at the company has been involved in commercial projects that have strengthened the companies portfolio of digital work. These have included the technical development of online games¹²⁷, interactive infographics¹²⁸, and banner adverts¹²⁹, as well as undertaking the development and maintenance of the company online portfolio¹³⁰. These projects, along with the creative artefacts produced within this research (e.g. Short Film Apps, *SMTA* website, *SMTA* App), increase the companies portfolio digital work and provide a foundation upon which to grow this side of the company.

The experiences and knowledge developed during this research therefore contributes towards providing insight that can aid the companies continued growth beyond this research.

¹²⁷ See: <http://wonkyfilms.com/portfolio/beat-the-bull/>

¹²⁸ See: <http://wonkyfilms.com/portfolio/sams-story/>

¹²⁹ See: <http://wonkyfilms.com/portfolio/capital-one-banners/>

¹³⁰ See: <http://wonkyfilms.com>

Implications

This research has both theoretical and practical implications. The insight developed is of value to academics as it adds to the understanding of the issues faces by SMEs, specifically within the creative industries. This presents knowledge of the factors that hamper such company's attempts to grow through the use of digital environments and online marketing. It also offers a new description of engagement applicable to digital environments, and demonstrates the dynamic and evolving nature of the engagement process.

On a practical level insight is presented for practitioners operating within the limits of SMEs and provides an understanding of the issues they face, and the methods and practices that can help circumvent them. This creates valuable knowledge that can help practitioners to avoid what can be naïve and costly mistakes.

Finally, there are also public policy implications. Given the importance of creative SMEs to the UKs economic growth this project highlights the limitations in their ability to grow organically. This research finds that despite their advocated importance these companies face a lack of support, particularly animation companies where support has declined in favour of live action content.

Support does not just need to be financial, but also in the form of skills and knowledge development. The resource limitations and the small size of these companies' means they may lack the skills required to effectively manage all of the factors that can contribute towards engagement. For example, one thing companies like WÖNKY do not lack is the skills and talent to produce creative artefacts, but what they may lack is the skills and knowledge expertise to effectively market these projects once they are complete.

Support for these companies therefore must take a more long-term view and look beyond short-term support in producing the creative artefact itself. Support needs to go further and provide aid that allows companies to engage audience and connect directly with paying consumers. This may mean support could be better distributed in larger pools but to fewer recipients. While this would reduce the amount of creators who benefit it would allow those selected to develop projects to a greater extent, and allow more time for the creator to establish the content with the target market.

There also needs to be a greater consideration of business models that allow companies to continue production in a sustainable manner. Whilst funding for one project is valuable it fails to answer what happens once this is produced. Without effective business models that can support independent creative projects, these companies are faced with the same difficulties in finding funding when it comes to producing future content. Support here may not come through ‘business models’ per se, but through protective legislation to prevent top-level aggregators, curators, and large enterprises, exploiting digital environments in ways that prevent the benefits of engagement, including finances, from returning to the original content creator.

Future Research

Like with many practice-based research studies the cycle of learning and action is on going. Whilst this study provides insights into the methods and practices that can aid creative SMEs they do not cover the full body of solutions that may be available. Different methods and practices may also work, or work differently for different individuals; there is no ‘one-size-fits-all’ solution. The ones presented here are the ones encountered during this research, and as such ones where direct experience was encountered. The nature of this study being embedded in practice also means that some practices may not have been encountered due to practice being bound by the limits of the company. Thus, continued research would be beneficial to cover the breadth of methods and practices and deepen the insight presented here.

Through the practical projects an initial insight into the occurrence of DE/LE, DEX/LEX, and DEB/LEBs has been shown. Yet, this shaping of engagement and the notions of DE/LE, DEX/LEX, and DEB/LEB would benefit from continued research to further develop this as a framework for understanding engagement. This understanding should emphasise engagement as cyclical process that occurs over multiple consumption experiences and incorporates multiple dimensions and multiple behaviours.

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Thesis Portfolio

Introduction

The following portfolio contains details of the 5 practical projects and 4 research projects undertaken during the course of this study. Together they present a deeper insight to the contribution presented in the main thesis document offering evidence drawn from both theory and practice. Individually they each offer specific contributions on the different elements from the thesis, an overview of which is presented in Table 1 and Table 2.

An introduction to each project is offered next, followed by a timeline of activities illustrating when each project and key milestones occurred (Figure 1-4). Accompanying this portfolio is a digital appendix of supplementary material relating to these projects.

Project Overview

A. Laugh Your Head Off (p218-233)

Laugh Your Head Off (*LYHO*) was the first major practical project undertaken as part of this research. It sought to develop a website focused on independent comedy short films with crowdfunding used to support the projects first short film. Portfolio A presents an overview of the original *LYHO* aims and reviews the project activities. This review highlights the difficulties in developing engagement, particularly with limited resources and the subsequent difficulties of the crowdfunding campaign. Together with Portfolio F (p360), the *LYHO* project provides evidence on crowdfunding as a method of monetisation.

Accompanying this portfolio is supplementary material that covers the projects development in greater detail (Digital Appendix A.1), as well as two research-focused reports on the project. The first is a review of the project, which presents the initial insight that formed the theoretical foundations for the rest of this research project, particularly the notions of light and deep engagement (Digital Appendix A.2). The second is a community focused branding strategy that proposed how *LYHO* could have been developed further (Digital Appendix A.3). Also included in this digital appendix are the creative artefacts produced during *LYHO* (Digital Appendix A.4).

B. iLand (p234-238)

iLand is a multiplatform children's series that was in development and seeking funding when this research project began in October 2010. Over the first 18 months of this research practical work on iLand focused on the development of a digital strategy to enhance the multiplatform aspects of the project and identify ways the project could be self published via emerging digital platforms. Portfolio B introduces the project in greater detail and outlines reasons for the eventual abandonment of the project, which indicates the risks of large-scale content production for creative SMEs. The project contributes insight that helps frame the culture of the industry where this research sits. The accompanying Digital Appendix (Digital Appendix B.1 – B.5) provides development and review documents for the project, as well as demos for the Apps and Flash Games.

C. Short Film Apps Digital Delivery (p239-280)

Over the course of this study three short films produced by WONKY have undergone a digital development strategy including an online release with accompanying iOS App. Portfolio C offers insight into the development processes undertaken for these short films as well as a contextual analysis for this digital development. Analysis of the three short films and their digital delivery highlights the resource limitations faced by creative SMEs, the struggles faced in attaining exposure, and difficulties faced in monetising content in environments dominated by 'free'. The short films and their varied success in reaching audiences online, also allows us to question who benefits the most from the creative efforts of filmmakers in digital environments. An accompanying digital appendix provides development documents for each short film App (Digital Appendix C)

D. Ace Discovery (p281-309)

Ace Discovery is an animated comedy pilot commissioned by Frederator Studios and produced by WONKY Films. Practical work on the project focused on promotional activity to enhance audience reach and engagement. The project provides a comparison between producing original content independently (like in Portfolio C, p239) and producing it with the backing of a larger entity with increased resources. Portfolio D highlights the sacrifices that creative SMEs may have to make to fulfil creative ideas and again presents insight into the difficulties of building audiences and engagement in competitive digital environments. The long-term value of

exposure is also questioned based on difficulties seen in audiences transitioning between multiple identities. Throughout, the discussion relates project activities to engagement and particularly the notions of light and deep engagement experiences (LEX/DEX), and their effect on light and deep engagement (LE/DE), and light and deep engagement behaviours (LEB/DEB). Additional evidence is also presented on the crowdfunding approach. The accompanying Digital Appendix provides a development document for an online game produced as part of this project and the game itself (Digital Appendix D.1 – D.2)

E. Show Me The Animation (p310-359)

Show Me The Animation (*SMTA*) has been a long running practical project throughout this research since November 2011. The project offers the primary comparison between *curating* and *creating* content and the effect these approaches have on developing audience engagement. Through this portfolio, evidence is provided that contributes towards the notions of LE/DE, LEX/DEX and LEB/DEB, as well as further practical experiences with attaining exposure and deriving revenue in competitive digital environments. The *SMTA* project, like Portfolio C (p239), also suggests that it may not be the creators themselves who are gaining the most value from work delivered in digital environments. The accompanying Digital Appendix contains a development document for both the *SMTA* website and iOS App (Digital Appendix E.1 – E.2)

F. Success in the Management of Crowdfunding Projects in the Creative Industries (p360-398)

This research study was undertaken after the failed *LYHO* crowdfunding campaign and analyses the factors leading to crowdfunding success. Together with Portfolio A (p218) this study provides evidence on the crowdfunding approach to monetisation. The paper aims to understand how creative SMEs might achieve success with the crowdfunding approach. To do so the study analyses 100 creative crowdfunding campaigns within the film and video category on Kickstarter, followed by a discriminant analysis to highlight the main factors contributing to crowdfunding success. The analysis finds two key factors that contribute to success; ‘Network Management’ and ‘Campaign Management’. The attributes of these factors lead us to question the long-term ability of crowdfunding to aid companies poorer in terms

of time, financial and personnel resources and therefore arguably in the greatest need of crowdfunding platforms.

This paper was originally presented at the 8th Cyber Cultures Conference, Prague, 2013 and was further developed alongside Dr Mike Molesworth and Dr Georgiana Grigore and accepted into the Internet Research Journal. The original 8th CyberCultures conference paper is presented in Digital Appendix F.

G. Engagement and Willingness to Pay for Short Form Animation Content Online (p399-430)

Based on an understanding of engagement and value with insight from the uses and gratifications (U&G) framework, this study argues that consumers will display a differing willingness to pay (WTP) based on their level of engagement and values sought from consuming animation content online. As such it is suggested dynamic pricing models may be an effective method to derive revenue from creative content. To test this hypothesis an online survey was used to explore differences between individuals who work, or have a valued interest, within the field of animation (insiders) and those who do not (outsiders).

Results show that animation insiders display a wider range of motives and gain greater value from short form animation and subsequently display a greater WTP and to pay more. Therefore, supporting the idea that dynamic pricing may be effective as it can capture audience differences. However, WTP is still shown to be in the minority and for only small amounts of money. WTP is also strengthened through an existing engagement, thus showing established entities are better positioned to elicit value from the consumer. Findings therefore continue to highlight the struggles faced by creatives in deriving revenue from their original content in digital environments, especially new creative entities seeking to establish themselves. The study also adds to evidence that links engagement with monetisation, particularly DE and how it leads to DEBs.

This paper was presented at the Arts in Society Conference, Rome and has since been submitted to the Arts in Society Journal. Full data obtained from the online surveys are provided in Digital Appendix G.

H. Social Media Usage and Perceptions Among Creative SMEs and Creatives (p431)

Social media (SM) is advocated as a tool that can increase visibility and create competitive advantage within digital environments. However, practical experiences throughout this research have found finding resources, particularly time, to effectively deliver a SM strategy difficult. This research study sought to explore these issues within the wider creative industries and undertook an online survey to understand respondents' usage and perceptions of SM tools.

Findings indicate similar experiences within the wider industry that highlight a lack of resources as a barrier to more effective SM use. SM is also perceived by respondents as being free and easy to execute, which may be leading to what can be described as a 'part-time' approach to SM use. This study contributes further evidence to the problems SMEs face in digital environments and shows even tools that are on face value seen as free and easy to use can prove problematic. Findings also show SM success is driven by the caveat 'you get what you put in', which continues to support the idea that larger enterprises are better positioned to take advantage, particularly as digital environments become increasingly crowded. The full study paper and data obtained from the online surveys are provided in Digital Appendix H.

I. Context from the wider industry: Interview Study (p432)

The insight from this research is largely embodied within work carried out at WONKY Films. To widen this insight a total of 11 interviews were undertaken with individuals working within the industry. The selected interview participants included two directors of the creative projects undertaken at WONKY during this research (*The Nether Regions*, *Writers' Block* and *Ace Discovery*), and the remaining 9 interviews were carried out with individuals within small animation studios or in freelance roles.

The findings strengthen the contextual background of this research and provide additional evidence into industry culture (resource limitation, lack of support), engagement (LE/DE, struggles with visibility, content precedence), and monetisation (PWYW, crowdfunding, difficulties of monetising work). Full study paper and interview transcripts are provided in Digital Appendix I.

Table 1: Portfolio Overview

Title	Description	Themes	Related Entries	Dates
A. Laugh Your Head Off	Practical project on the development of a crowdfunding campaign to support the production of a short film.	<ul style="list-style-type: none"> • Industry Culture <ul style="list-style-type: none"> ○ SME Resource Limitations • Engagement <ul style="list-style-type: none"> ○ LE/DE ○ Content Precedence ○ UGC ○ Difficulties of Visibility • Monetisation <ul style="list-style-type: none"> ○ Crowdfunding 	Digital Appendix A Portfolio F	November 2010 – May 2012
B. iLand	Practical project on the development of a digital strategy for a multiplatform children’s series	<ul style="list-style-type: none"> • Industry Culture <ul style="list-style-type: none"> ○ SME Resource Limitations ○ Partnerships ○ I.P. Ownership • Engagement <ul style="list-style-type: none"> ○ LE/DE 	Digital Appendix B	October 2010 – August 2012

C. Short Film Digital Delivery	Digital delivery of three short films produced by WONKY during this research. Practical projects covers online and App development for each short film	<ul style="list-style-type: none"> • Industry Culture <ul style="list-style-type: none"> ○ SME Resource ○ Limitations ○ Partnerships • Engagement <ul style="list-style-type: none"> ○ LE/DE ○ Social Media ○ Difficulties of Visibility ○ Curation vs. Creation • Monetisation <ul style="list-style-type: none"> ○ PWYW 	Digital Appendix C Portfolio E Portfolio G Portfolio I	February 2012 – August 2014
D. Ace Discovery	Promotional activity and digital artefact extensions for a pilot cartoon commissioned by Cartoon Hangover and produced by WONKY films	<ul style="list-style-type: none"> • Industry Culture <ul style="list-style-type: none"> ○ SME Resource ○ Limitations ○ Partnerships ○ I.P. Ownership • Engagement <ul style="list-style-type: none"> ○ LE/DE ○ Content Precedence ○ UGC ○ Social Media ○ Difficulties of Visibility • Monetisation <ul style="list-style-type: none"> ○ Crowdfunding 	Digital Appendix D Portfolio F Portfolio I	February 2013 – November 2013

E. Show Me The Animation	Practical project focused on the development of digital animation platforms designed to support the animation community. Practical work has focused on the development of a website, social media and an App.	<ul style="list-style-type: none"> • Industry Culture <ul style="list-style-type: none"> ○ SME Resource ○ Limitations ○ Partnerships • Engagement <ul style="list-style-type: none"> ○ LE/DE ○ UGC ○ Social Media ○ Difficulties of Visibility ○ Curation vs. Creation • Monetisation <ul style="list-style-type: none"> ○ Advertising ○ PWYW ○ Premium 	Digital Appendix E Portfolio C Portfolio G Portfolio I	November 2011 – October 2014
F. Success in the Management of Crowdfunding Projects in the Creative Industries	Research project analysing the factors leading to crowdfunding success. The aims of the project were to understand how creative SMEs might achieve success with this approach	<ul style="list-style-type: none"> • Engagement <ul style="list-style-type: none"> ○ LE/DE ○ Content ○ Precedence ○ Social Media • Monetisation <ul style="list-style-type: none"> ○ Crowdfunding 	Digital Appendix F Portfolio A	December 2012 – May 2013 December 2013 – May 2014
G. Engagement and Willingness to Pay for Short Form Animation Content	Research project based on theoretical insight from engagement and the uses and gratifications perspective, which explores the individuals engagement and willingness to pay for short animation content online.	<ul style="list-style-type: none"> • Engagement <ul style="list-style-type: none"> ○ LE/DE ○ Content ○ Precedence • Monetisation <ul style="list-style-type: none"> ○ PWYW 	Digital Appendix G Portfolio C Portfolio D	February 2014 – April 2014

H. Social Media Usage and Perceptions Among Creative SMEs and Individual Creatives	Research study focusing on the social media usage of creative SMEs and individual creatives within the fields of animation and games. This finds that despite the advocated usefulness of social media many creative SMEs do not make full use of the tools at their disposal.	<ul style="list-style-type: none"> • Industry Culture <ul style="list-style-type: none"> ○ SME Resource Limitations • Engagement <ul style="list-style-type: none"> ○ LE/DE ○ Social Media 	Digital Appendix H	April 2014 – July 2014
I. Context from the Wider Industry: Interview Study	Research study investigating the issues and limitation established through this researches practical project within the research in the wider industry context	<ul style="list-style-type: none"> • Industry Culture <ul style="list-style-type: none"> ○ SME Resource Limitations ○ Partnerships ○ I.P. Ownership ○ Lack of Support • Engagement <ul style="list-style-type: none"> ○ LE/DE ○ Content Precedence ○ Social Media ○ Difficulties of Visibility ○ Curation vs. Creation • Monetisation 	Digital Appendix I	June 2014 – August 2014
			Portfolio C	
			Portfolio D	
			Portfolio E	

Table 2: Summary of Themes and Related Portfolios

Research Theme	Portfolio Item
<ul style="list-style-type: none"> • Industry Culture <ul style="list-style-type: none"> ○ <i>SME Resource Limitations</i> ○ <i>I.P Ownership</i> ○ <i>Partnerships</i> ○ <i>Lack of Support</i> • Engagement <ul style="list-style-type: none"> ○ <i>LE/DE</i> 	Portfolio A
	Digital Appendix D.2
	Portfolio B
	Digital Appendix B.1
	Portfolio C
	Portfolio D
	Portfolio E
	Portfolio B
	Portfolio D
	Portfolio B
	Portfolio C
	Portfolio D
	Portfolio E
	Digital Appendix I
Portfolio A	
Digital Appendix A.2	
Digital Appendix A.3	

Digital Appendix B.4

Portfolio C

Portfolio D

Portfolio E

Portfolio F

Portfolio G

Digital Appendix H

Digital Appendix I

○ *Content Precedence*

Portfolio A

Digital Appendix A.2

Digital Appendix A.3

Portfolio D

Portfolio F

Portfolio G

Portfolio I

○ *UGC*

Portfolio A

Digital Appendix A.2

Digital Appendix A.3

Portfolio D

Portfolio E

○ *Difficulties of Visibility*

Portfolio A

Digital Appendix A.2

	Digital Appendix A.3
	Portfolio C
	Portfolio D
	Portfolio E
	Digital Appendix I
○ <i>Social Media</i>	Portfolio A
	Portfolio C
	Portfolio D
	Portfolio E
	Portfolio F
	Digital Appendix H
	Digital Appendix I
○ <i>Content Creation vs. Content Curation</i>	Portfolio A
	Portfolio C
	Portfolio E
	Digital Appendix I
• Monetisation	
○ <i>Crowdfunding</i>	Portfolio A
	Digital Appendix A.2
	Portfolio D
	Portfolio F
	Portfolio I
	Digital Appendix I

○ <i>PWYW</i>	Portfolio C
	Portfolio E
	Portfolio G
	Portfolio I
	Digital Appendix I
○ <i>Advertising</i>	Portfolio C
	Portfolio E
	Portfolio G
	Portfolio I
	Digital Appendix I
○ <i>Premium</i>	Portfolio E
	Portfolio I
	Digital Appendix I
○ <i>Free / Exposure</i>	Portfolio C
	Portfolio E
	Portfolio G
	Digital Appendix I

Timeline of Research Activities

Portfolio Item	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11
Portfolio A: LYHO		Web Development Begins		Crowdfunding Campaign begins Short Film production begins				Indiegogo Campagin Launched				
Portfolio B: iLand	Project website created								Project pitched at Cross Video Days Paris Digital content development at Transform@Lab			Pitch Winner Transform@Lab
Portfolio C: Short Film												
Portfolio D: Ace Discovery												
Portfolio E:												
Portfolio F: Crowdfunding Research Study												
Portfolio G: Engagement and WTP Research Study												
Portfolio H: Social Media												
Portfolio I: Interview												
Taught Units					Advanced Human Computer Interaction		Future Media Platforms And Envrionments		Branding & Brand Management Transform@Lab (APEL)			
Other Activities				WONKY Website Developed					WONKY Banner Advertising Project for Capital One			Organised & Hosted Contentertainment Panel Event, Encounters Festival

Figure 1: Year 1 Research Activities

	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12
LYHO								Short Film Production Complete			WDTCCCTR? iPad App Released	
iLand							Pitch Finalist MipCube Content 360 Transmedia Competition	iLand Animals App Production Begins			Project Development Abandoned	
Short Film Digital Delivery					WDTCCCTR? App Development Begins						WDTCCCTR? iPad App Released	
Ace Discovery												
SMTA		Web Development Begins				Website launched						AniJam 2012
Portfolio F: Crowdfunding Research Study												
Portfolio G: Engagement and WTP Research Study												
Portfolio H: Social Media												
Portfolio I: Interview												
Taught Units					Developing and Prototyping Interactive Experiences							
Other Activities	Guest Lecture, Newport University, Industry First Steps				WONKY Interactive Infographic Project for UNICEF	Guest Lecture, Newport University, Developing for Mobile Platforms	Pitch Finalist MipCube Content 360 Transmedia Competition, Cannes			Guest Lecture, Transform@Lab, Newport University, Advice for a Successful Project		WONKY Flash Game Project for Feeder Organised Contentertainment Panel Event, Encounters Festival

Figure 2: Year 2 Research Activities

	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13
LYHO												
iLand												
Short Film Digital Delivery		Nether Regions App Development Begins			Writers Block App Development Begins		Writers Block App Released					Nether Regions App Released
Ace Discovery					Online & Social Media promotion begins			Pilot Cartoon Launched (Uncensored)			Pilot Cartoon Relaunched (Censored)	
SMTA					Members Directory Launched		MeBooks Undiscovered Contest					Anijam 2013
Portfolio F: Crowdfunding Research Study			Crowdfunding Campaigns Anaysed		Results Analysed, Paper Written			Paper Presented at 8th CyberCultures Conference, Prague				
Portfolio G: Engagement and WTP Research Study												
Portfolio H: Social Media												
Portfolio I: Interview												
Taught Units												
Other Activities	Internet Research 13.0 Conference, Manchester - PhD Colloquium							Guest Lecture, Newport University, Developing for Mobile Platforms		WONKY Website Redesigned		Organised & Hosted Contentertainment Panel Event, Encounters Festival

Figure 3: Year 3 Research Activities

	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14
LYHO												
iLand												
Short Film				WDCCTR? Released Online			Writers Block Released Online				Nether Regions Released Online	
Digital Delivery												
Ace Discovery		Game & App Development Abandoned										
SMTA	Members Directory Removed	Buy Us A Coffee' monetisation added	App Development Begins	Do It In Ten Launched Google AdSense Added to Website					App Launched			
Portfolio F: Crowdfunding Research Study			Additional Campagin Analysis	Paper Developed for Journal								
Portfolio G: Engagement and WTP Research Study					Online Survey Undertaken		Results Analysed, Paper Written		Paper Presented, Arts in Society Conference Rome			
Portfolio H: Social Media Reseach Study						Online Survey Undertaken			Results Analysed, Paper Written			
Portfolio I: Interview Research Study								Interviews Conducted	Interviews Conducted	Transcription and Data Analysis		
Taught Units												
Other Activities	Internet Research 13.0 Conference, Denver											

Figure 4: Year 4 Research Activities

A. Laugh Your Head Off

Overview

Project Dates: November 2010 – May 2012

Laugh Your Head Off (*LYHO*) was the first major practical project undertaken within this research. The project aimed to create an online comedy website exploring the world of jokes through independent animation and illustration. To launch the project crowdfunding was used as a method to raise the funds to produce the first short film. However, an unsuccessful campaign and subsequent review of the projects shortcomings highlighted the resource limitations faced by creative SMEs, which can hamper their ability to create original content and build audiences and engagement. The following Portfolio describes the original intentions and aims of the project reviews project activities. In figure 1 a timeline of key activities is presented.

Accompanying this portfolio is supplementary material that covers the projects online development in greater detail (Digital Appendix A.1), as well as two research-focused reports on the project. The first is a review of the project analysing the failed crowdfunding campaign and project website shortcomings (Digital Appendix A.2). This review presents the initial insight that form the practical and theoretical insight upon which the remainder of this research has evolved. The second is a community focused branding strategy that proposed how *LYHO* could be developed further (Digital Appendix A.3). Also in this digital appendix are the creative artefacts produced during this project (Digital Appendix A.4). Work on the *LYHO* project finished with the development of a short film App, the first of three developed during this research and discussed in Portfolio C (p239). *LYHO* and the failures of the crowdfunding campaign also influenced the undertaking of the crowdfunding research study presented in Portfolio F (p360) that seeks to understand the drivers of successful campaigns.

	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11
LYHO		Project Website developed and launched		Adapted short film idea and new project trailer produced Short Film production begins		Indiegogo Campaign launched		Mini-Game Added to website Indiegogo Campagin Ends				
	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12
LYHO	Initiated curated 'Friday Funny' section on project blog	Illustrated Jokes created for the site	Christmas Cracker Game Developed	Short Film enters post production	Short film App development begins	Project Web activity stops		Short Film Production Complete				

Figure 1: LYHO activity timeline

Project Development

LYHO was intended as an online comedy project that would feature regularly updated animation and illustration content to provide a daily destination for ‘humorous’ content. Aims focused on quality over quantity of content, driven by unique illustrated design and professional animation. The project was proposed in two development phases.

The initial phase of the project proposed using the crowdfunding model to finance the projects first short film. The purpose of phase one was to explore the use of crowdfunding as a viable funding source for filmmakers. In this phase the project sought to engage the first-degree network (friends and family) and like-minded animators and creatives. This first-degree network has bonds of trust required to motivate a crowdfunding transaction already established (RocketHub 2011), thus provide a core demographic with which initial interest could be developed.

Using the short film developed in phase one, phase two aims were to develop a humorous content destination, focused on quality animation and illustration. This phase would use the crowdfunded short film from phase one as a promotional tool to develop a community of individuals who engage with and become active contributors of content upon the platform.

At the time of the *LYHO* campaign, crowdfunding as an approach for financing films was relatively new with little academic research on the subject. Initial research focused on insight gathered from online press and blog articles, as well as advice provided by online crowdfunding platforms. A period of market research was also undertaken to review existing examples of crowdfunding film projects. However, as the approach was still quite new there were few examples of short films being funded in this manner, particularly animated short films.

This early insight highlighted several benefits of the crowdfunding approach including retaining creative control, promotional WOM activity offered by potential backers, and opportunity to engage the audience in projects creative process. This insight also provided advice for running a successful campaign including ensuring a clear and concise project pitch, producing a pitch video to connect with the audience, offering rewards to motive contributions, and updating the audience through the

process to build trust in capabilities (CD Baby 2010; SpannerFilms 2010; James 2010a; James 2010b; James 2010c; Kopp 2010).

The crowdfunding campaign was undertaken on a *LYHO* website produced for the project¹³¹, which underwent various iterations during the project that are outlined in the development document (Digital Appendix A.1). Promotional activity to generate interest in the project and guide people towards the crowdfunding campaign was also undertaken on SM profiles created and managed on both Twitter¹³² and Facebook¹³³.

The project website initially launched in November 2010. At this time the concept for the projects first short film involved a character travelling around a world laughing their head off as they encounter various jokes along the way. The website featured information about the project and its creators (WONKY and illustrators Peskimo¹³⁴). The website also featured a ‘fun stuff’ section that included a blog for project updates, a submit-a-joke page to encourage audience interaction, as well as a selection of desktop wallpapers and profile avatars based on the character designs from the original film idea.

Fundraising was handled upon the website via PayPal with rewards offered including film posters and the opportunity to have your joke featured in the short film. Potential backers also had the option to fund without a reward and choose the amount they wished to donate. The original aims were to fundraise for the film through the remainder of 2010 into early 2011, with production on the short film beginning in tandem and running until mid 2011.

Project Review

Timing Plan

The timing plan for the initial phase was exceeded due to need to balance the project around other commercial work without the existing funds to fully commit resources to the project. Another reason was adapting the initial film idea to a more narrative driven short film about the classic joke “*Why Did The Chicken Cross The Road?*”. However, the change resulted in additional work needing to be carried out before

¹³¹ See: http://web.archive.org/web/*/http://www.laughyourheadoff.co.uk

¹³² See: <https://twitter.com/lyhotweet>

¹³³ See: <https://www.facebook.com/Laughyourheadoff?ref=hl>

¹³⁴ See: <http://www.peskimo.com>

fully launching the crowdfunding phase, including finalising the film concept, adapting rewards for new film idea¹³⁵, and creating an initial trailer for the new film idea to motivate interest. These early changes and lack of fully formed concept highlight a lack of preparation before the campaign began. It also questions whether the decision to seek crowdfunding was made to ‘jump on the bandwagon’ based on early excitement around the fundraising approach at the time the project was delivered.

Crowdfunding

The crowdfunding phase of the *LYHO* project failed to meet its £2,400 target goal and due to the changes to the film idea and a lack of initial engagement, the crowdfunding phase was prolonged. The primary period of crowdfunding activity lasted 6 months between January 2011 and June 2011. Fundraising was initially handled on the *LYHO* website before an Indiegogo campaign¹³⁶ was run between March and May, and fundraising handled again on the website once the campaign had finished. The Indiegogo campaign was launched in an attempt to increase visibility and exploit potential exposure opportunities provided by these platforms (e.g. being selected as a ‘featured project’).

By initially funding upon the separate *LYHO* website before moving onto the Indiegogo platform there was no focused timing plan. This made it difficult to maintain momentum and engage audiences with the project idea. Indiegogo insights suggest that more time does not always mean more money (Labovitz, 2010). Thus, a more stringent timing plan would be better suited to ensure projects do not run out of steam. Also despite the prolonged activity the majority of funds were raised during the final two weeks of the *LYHO* Indiegogo campaign. This illustrates the existence of a deadline effect that provides potential backers with a sense of urgency.

The lack of financial contributions was a clear problem with the project. Informal discussions with members of the first-degree network suggested a barrier to entry was the £15 price point for the posters. For individuals outside the “creative” field it appeared hard to justify the £15 price point even though these are sold in-line with other artwork by the films designers, and had the with the added value of the

¹³⁵ An additional film poster was created for the ‘*Why Did The Chicken Cross the Road Film*’ and the initial ‘*Submit a Joke*’ reward was changed to ‘*Get Peskimoed*’ which gave the consumer the option to have a character based on themselves appear in the film.

¹³⁶ See <http://www.indiegogo.com/Laugh-Your-Head-Off-Why-Did-The-Chicken-Cross-The-Road>

film. To overcome this problem a £5 *Thank You Credit* option and £1 *Thank-You* option were introduced. However, there was an overall lack of rewards offered by the campaign. Aside from the thank you options the only other ‘affordable’ rewards were the posters, with more exclusive rewards (*Submit a Joke / Get Peskimoed – Character likeness in film*) priced at £200.

James (2010c) also argues audiences are not used to paying for something that does not yet exist. Consumers are more used to seeking out and consuming media content for their own interests and gratifications (Leung, 2009) than helping content exist for communal interests or the benefit of others. With the crowdfunding approach being relatively new when it was undertaken, it may be argued there was a lack of mainstream knowledge or understanding of the approach.

Failures with the crowdfunding approach are common; only 43% of Kickstarter campaigns are successful (Strickler, 2011) highlighting the difficulties of the funding approach. There was a sense of naivety in the LYHO campaign and lack of understanding about the amount of full-time promotion and strong core audience a campaign needs. The crowdfunding approach has risks and may be better suited to raise partial funds to reduce risks of unsuccessful campaigns. Emily James (2010c, para. 4) from crowdfunding project Just Do It¹³⁷ echoes such conclusions in her opinions on the model.

“A project of this sort is not particularly a model for how all films, or indeed any other film, could or should be made. It is by no means a particularly practical “business model” nor is it “efficient”. It will take us much longer to make it this way, and we are constantly hamstrung by our lack of funds”

Crowdfunding research indicates that family and friends on average fund the majority of a projects budget (Meece 2010). This has been echoed in this project with all contributions coming from the projects first-degree networks. Attempts to target the wider-networks proved difficult, and although individuals from within these wider networks interacted with the project through SM platforms there were no conversions to paid interactions.

¹³⁷ See: <http://justdoitfilm.com/>

Another problem with the *LYHO* crowdfunding attempt was the audience being built alongside the project, thus there was no initial relationships in place outside of the immediate friends and family network. Rubin Slava, CEO of Indiegogo, states on average you need 30-40% of your goal from your core audience before strangers will begin donating as well (Irvine 2011). However, during the *LYHO* Indiegogo campaign only 4% of the campaign total was raised. Thus, the initial friend and family group was not large enough in comparison to the £2,400 target goal.

Also it may be argued that being run as a company rather than an individual hampered the campaign. Brian Meece (Meece 2010) reported that it is more difficult for a company to crowdfund as the fans want to have interaction and impact on an individual. The company factor reduces the engagement of the core audience. Whilst friends and family are engaged and interested in what “you” as an individual do and wish to achieve, they are less engaged with a company. This issue may be further compounded by the fact that neither project video trailers^{138 139} featured a direct call to action from individuals from within the company. Thus, there was no personality or identity that the audience could connect with.

Website

The *LYHO* website was developed as the hub of the project, containing information about the project as a whole and information about the first short film. The site was used as the main avenue of funding, although as discussed an Indiegogo campaign was also set up to increase the avenues of discovery and visibility for the project.

Although an audience was developed during the attempted crowdfunding campaign it may be argued they did not fully engage with the project. Creating audience engagement was difficult as the ability to create content and entice engagement was hampered by a lack of resources. This content can help develop trust and reduce uncertainty surrounding campaigners capabilities. With resources primarily dedicated to the production of the projects short film there were limits to what additional content could be produced. Also as the film was developed between other work-for-hire roles there were long periods between updates on the project blog. This irregular production schedule meant it was difficult to generate a consistent pattern of content delivery. The difficulty faced in delivering content

¹³⁸ See: <http://vimeo.com/19029116>

¹³⁹ See: <https://vimeo.com/17001784>

presents a paradox of engagement and a lack of motivation for users to return. This is where to engage users to donate they need content to motivate them, but to create content there is a pre-existing need for resources. Those that have engaged in terms of funding the project (friends and family) can be engaged by default, with trust developed through the personal connection rather than content motivation. Figure 7-8 illustrates the low levels of engagement generated by the project, with low visits and return visits shown.

To combat issues with a lack of engagement a mini-game was developed to encourage repeat visits and create content to engage the user (Digital Appendix A.4). In the month after the game was release (May 2011) site visits increased by 164%¹⁴⁰ compared to the previous month with an increase in the amount of return visits between May and June (Figure 10). The game is also the third most viewed page on site behind the 'home' and the 'film' page respectively (Figure 11). Page performance analytics also show the highest average time spent is on pages that contain the mini-game ('playtime', 'eggcatchingeggtravaganza'), these pages also have the highest bounce and exit rate (Figure 11), suggesting users were just coming to the site to play the game and not going further evidencing the need for more engaging content across the website.

¹⁴⁰ Data Obtained from Google Analytics. Period shown October 2010 – July 2011

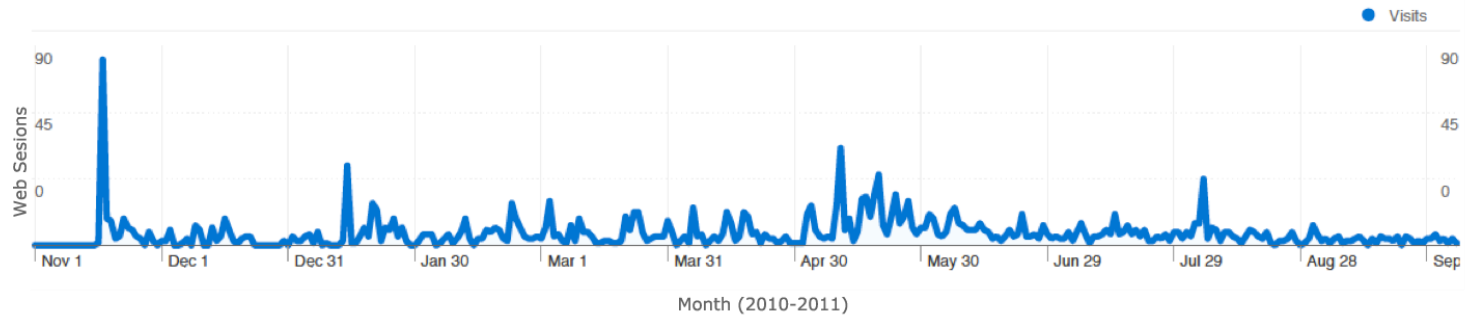


Figure 7: Website Visits¹⁴¹

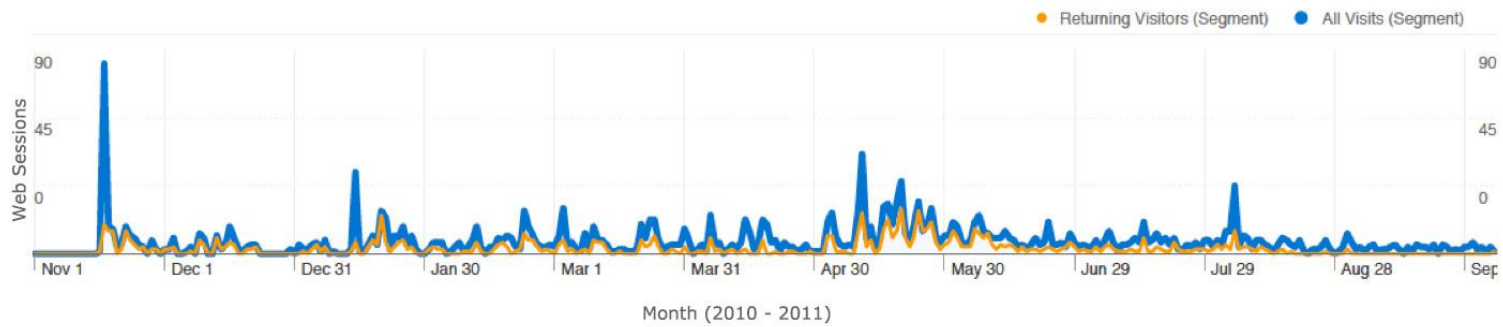


Figure 8: Website Visits vs. Return Visits¹⁴²

¹⁴¹ Data obtained from Google Analytics. Period shown November 2010 – September 2011

¹⁴² Data obtained from Google Analytics. Period shown November 2010 – September 2011

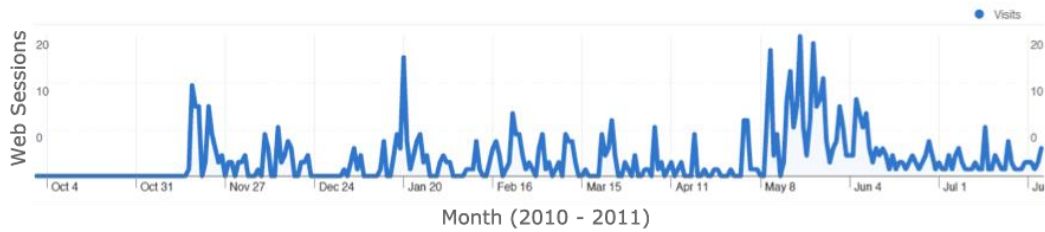


Figure 10. Laugh Your Head Off Returning Visit Analytics. ¹⁴³

Page ?	Pageviews ? ↓	Unique Pageviews ?	Avg. Time on Page ?	Entrances ?	Bounce Rate ?	% Exit ?
	3,957 % of Total: 100.00% (3,957)	2,594 % of Total: 100.00% (2,594)	00:02:25 Site Avg: 00:02:25 (0.00%)	1,450 % of Total: 100.00% (1,450)	60.34% Site Avg: 60.34% (0.00%)	36.64% Site Avg: 36.64% (0.00%)
1. /	1,373 (34.70%)	887 (34.19%)	00:02:31	823 (56.76%)	52.73%	40.86%
2. /about/	551 (13.92%)	382 (14.73%)	00:02:36	164 (11.31%)	76.83%	41.56%
3. /eggcatchingeggravaganza/	326 (8.24%)	237 (9.14%)	00:04:34	176 (12.14%)	88.07%	66.56%
4. /fundthefilm/	252 (6.37%)	154 (5.94%)	00:01:51	36 (2.48%)	41.67%	31.75%
5. /blog-2/	210 (5.31%)	139 (5.36%)	00:00:31	16 (1.10%)	37.50%	12.86%
6. /fun-stuff/	208 (5.26%)	153 (5.90%)	00:00:51	7 (0.48%)	28.57%	13.94%
7. /submit-a-joke/	116 (2.93%)	84 (3.24%)	00:02:40	44 (3.03%)	63.64%	51.72%
8. /playtime/	102 (2.58%)	71 (2.74%)	00:06:37	65 (4.48%)	76.92%	60.78%
9. /faq/	74 (1.87%)	62 (2.39%)	00:03:07	1 (0.07%)	100.00%	25.88%
10. /contributors/	43 (1.09%)	31 (1.20%)	00:01:47	14 (0.97%)	50.00%	46.51%

Figure 11: LYHO page performance data¹⁴⁴

Initial project aims were to source jokes from the audience to include in the projects short film. For a number of reasons this idea was abandoned, firstly due to a change in the film concept. The original concept of a man encountering various jokes was more suited to sourcing audience jokes, as it allowed for the use of numerous jokes within the narrative. The new film idea “*Why did the chicken cross the road?*” however did not leave room to divert from the story line. Secondly the idea was also abandoned due to worries over the quality or rude nature of submitted jokes.

Although not used within the film, the audience still had the ability to submit jokes on the site. However, like the crowdfunding contributions only a small number of users submitted jokes.

¹⁴³ Data Obtained from Google Analytics.

¹⁴⁴ Data obtained from Google Analytics. Period shown November 2010 – June 2011

“Users in online communities may have difficulty either in finding opportunities to add value, or in understanding the value of their contributions to the community” (Rashid et al. 2006, p955)

One reason for the low number of submissions may be that there was no real value, or indication of how it may enhance the experience. To overcome this a voting system was added to the jokes so fellow users could vote for their favourites. However, this was still limited and an even greater competitive element around the jokes could have been implemented. For example, using the jokes in a competition with the user receiving the most ‘laughs’ winning a prize (eg. a film poster). Turner (2010) argues we are more likely to engage if we are rewarded, thus a competitive element would encourage users to submit jokes and encourage users to refer people to the site to vote for their jokes leading to increased visits and interaction.

Marketing

In line with the original project plan likeminded animation and illustration individuals were targeted to generate initial interest. The project made use of SM to create awareness of the project during the crowdfunding phase. SM accounts (Twitter and Facebook) were used to tell jokes to display the projects values, as well as posting updates about the project and new content on the *LYHO* website. The development of these SM followings however proved difficult (Twitter 168, Facebook 112¹⁴⁵). Thus as previously mentioned, a mistake in the development of the project was in attempting to building these audiences in tandem with carrying out the crowdfunding process, rather that creating an initial foundation network to ‘kick-start’ the campaign

During the project there was a relation seen in the use of SM and the number of site visits. Average weekday site visits were 154%¹⁴⁶ more than the average for site visits during weekends, with less SM activity on these days. This shows the importance of SM tools in creating awareness, but also the resource demands of these platforms to maintain consistency.

YouTube and Vimeo were used to host the two project trailers with Vimeo being more successful in generating views than YouTube, receiving 724% more views

¹⁴⁵ Data obtained for Twitter and Facebook. Correct as of May 2011

¹⁴⁶ Data Obtained from Google Analytics

(Figure12). This is a significant difference and suggests the competitive and cluttered nature of YouTube. Vimeo on the other hand has less content and the site also makes it easier to increase views with the ability to add your own video to groups and channels. Vimeo also had a greater sense of quality, being a channel built by filmmakers for filmmakers, thus the platform was better suited to finding the projects desired audience.

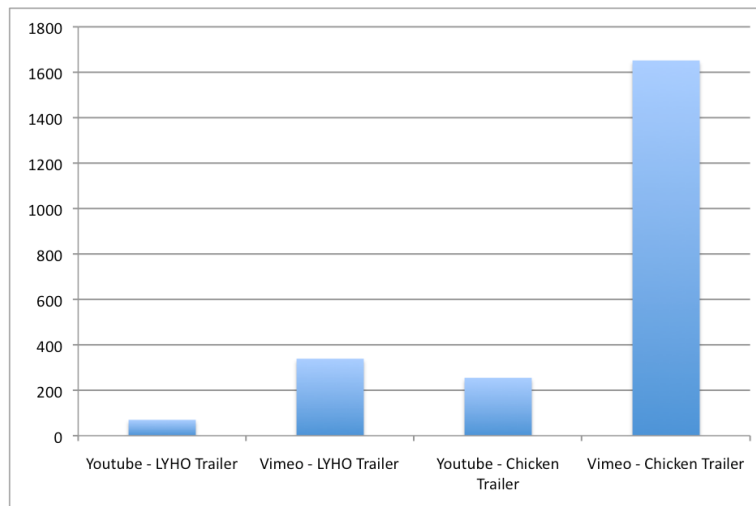


Figure 12: YouTube vs. Vimeo Trailer views¹⁴⁷

Second Phase and Project Abandonment

Despite the difficulties of the crowdfunding campaign work did start on the development of a second phase. This was done while work on the short film was still being carried out and attempts were made to increase audience engagement around the project. This second phase considered how to use content more effectively to increase engagement with the site. Proposals for this content can be seen in the project development document (Digital Appendix A.1) as well as a community focused proposal document (Digital Appendix A.3).

The main changes during the second phase included the introduction of a “*Friday Funny*” feature, which curated humorous animation content from the web each week. This process of curation enabled a greater consistency of content updates on the website due to the reduced resource demands in comparison to creating content. The weekly schedule was also aimed at creating audience expectancy for new content. Greater use of the submitted jokes was also made by creating illustrated versions to

¹⁴⁷ Data obtained from YouTube and Vimeo. Correct as of May 2011

be featured on the blog section of the website. These animations/illustrations were created to provide more value and reason to submit.

The effort to maintain greater consistency in the content delivery lasted for 3 months (October 2011 – January 2012), during this time there was a small increase in site engagement (Figure 13). However, due to the overall lack of engagement activity on the *LYHO* project ceased and resources were dedicated to other projects.

While site and SM activity ceased and despite the crowdfunding campaign being unsuccessful, *WONKY* remained committed to completing the production of the projects short film. The film was completed in May 2012 over a year after the initial anticipated release date. This emphasises how due to a lack of resources the creation of original content can fall behind the need to undertake commercial work. Following the films completion it was submitted to various film festivals as per the usual process for short films from creative companies, then released digitally (Online and via an App), as discussed in Portfolio C (p265).

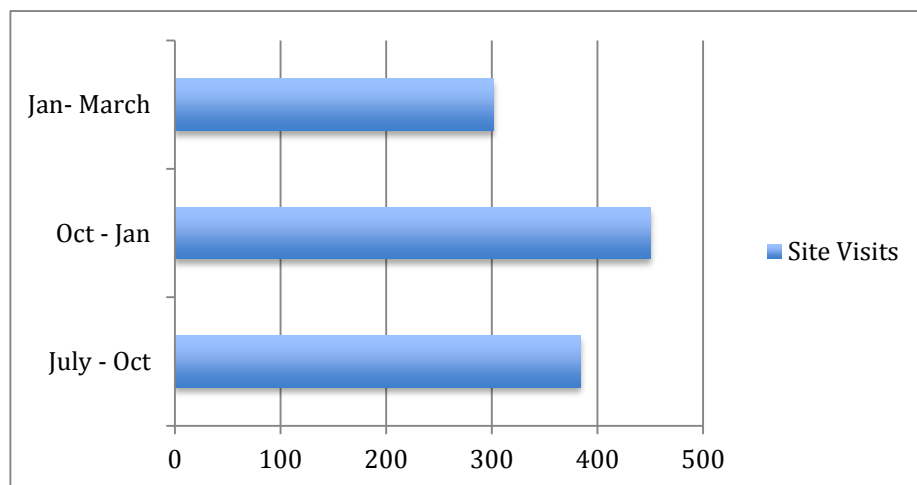


Figure 13: Site visits for 3months pre, during and post increased blog activity¹⁴⁸

¹⁴⁸ Data obtained from Google Analytics. Period shown July 2011 – March 2012.

Conclusions

Despite the unsuccessful nature of *LYHO* the project provides the initial insight and knowledge that have helped to shape this research project. Much of this insight has been articulated in the review report included in Digital Appendix A.2.

In particular, the project highlights the struggles that creative SMEs may face in attempting to produce original content and delivering that content to audiences. The resource limitations these companies' face means the production of this content can be drawn out as the commercial demands take priority. Thus, the ability to develop content with the required consistency to engage audiences can be difficult.

The project also illustrates the problems that can be faced with the crowdfunding approach. The attempt at crowdfunding lacked many of the factors identified in the later research study undertaken into crowdfunding campaigns and what drives successful campaigns (Portfolio F, p360). These include lack of audience network, lack of passion and preparedness, lack of evidence of content precedence, lack of rewards, and lack of reward quality. Thus it can be argued the *LYHO* crowdfunding campaign was surrounded by a sense of naivety in terms of resources and preparation involved in an effective crowdfunding campaign. This then led to a 'build and they will come' mentality and the subsequent shortcomings of the project.

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B. iLand

Project Dates: October 2010 – August 2012

Project Overview

iLand is a multiplatform children's series idea that was in development and seeking funding when this research project began in October 2010. The project explored new ways for iLand content to be exploited across multiple platforms and enhance the projects commercial appeal and viability. This would allow WONKY to explore new self-publishing opportunities for the delivery of their content that could circumvent more traditional broadcast routes to market.

The majority of this projects content was produced as part of the Transform@lab programme¹⁴⁹. Portfolio B is structured as follows. The remainder of this section provides an overview of the iLand project development, discussing the artefacts produced and the activities undertaken on the project. Accompanying this is a selection of supplementary material provided in Digital Appendix B. Firstly an iLand development document (Digital Appendix B.1), which outlines the digital strategy for the project developed during the Transform@lab programme. Secondly video demos of App prototypes produced as part of this strategy are presented in Digital Appendix B.2, followed by Flash Game Demos in Digital Appendix B.3. Thirdly, a review document of iLand's development produced after the Transform@lab programme in October 2011 is presented in Digital Appendix B.4. This document offers the theoretical insight influencing the iLand project. Finally, Digital Appendix B.5 includes a proposal document for an iLand App project being produced before activity on the iLand project ceased. Figure 1 presents a timeline of project activities.

¹⁴⁹ See: <http://www.transformatlab.eu>

	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11
iLand	Project website created								Project pitched at Cross Video Days Paris Transform@Lab Session 1 Newport University	Transform@Lab Session 2 MOME Budapest	Transform@Lab Session 3 Les Gobelins Paris	Transform@Lab Session 4 Newport University
iLand	Transform@Lab Project Review						Pitch Finalist MipCube Content 360 Transmedia Competition	iLand Animals App Production Begins			Project Development Abandoned	

Figure 1: iLand activity timeline

iLand Development

Before the beginning of this research in October 2010 the iLand project had been in development at WONKY. Up to this point the project had received funding to the sum of £25,000 from South West Screen (now part of Creative England) as part of the Content Across Continent initiative. The initiative was designed to create collaborations between companies based in Singapore and Britain to co-develop projects with multiplatform potential. As such WONKY partnered with Singapore based Scrawl Studios¹⁵⁰. The project was proposed as a multiplatform children's series of 52 eleven-minute episodes with accompanying digital artefacts including Flash games, mobile Apps and an interactive online world.

The funding from the Content Across Continent initiative enabled the initial development of the iLand including the production of a 3-minute pilot, episode ideas and scripts, character development, and the production of a series bible.¹⁵¹ These materials were then used by WONKY to seek further commissioning to fund the production of the broadcast series. The early development work focused on content to showcase the projects potential as a broadcast animation series. Thus, work on the project as part of this research focused on the development of the digital multiplatform aspects.

The majority of practical and research work on iLand was undertaken during the Transform@lab programme. The Transform@lab is an elite workshop-based training programme that focuses on the development of cross-platform ideas during an intensive four-part programme. This included workshop sessions held at host universities, University of Wales Newport, MOME Budapest and Les Gobelins Paris. Each of these sessions included lectures and workshops that provided new knowledge and practical skills that influenced the digital development of iLand (see Digital Appendix B.1).

A subsequent review of the Transform@Lab programme (Digital Appendix B.4) highlighted the digital development potential of iLand and the opportunities available for WONKY to exploit the existing materials. These existing materials included a large set of design assets and story ideas that could be utilised within

¹⁵⁰ See: <http://www.scrawlstudios.com/>

¹⁵¹ See: <http://www.wonkyfilms.com/ilandblog>

interactive App projects and self-published without the need for large external investment like the TV series. Doing so would have enabled WONKY to initiate the audience building process around the project, thus potentially making the iLand concept seem more attractive to potential broadcast commissioners.

Based on the insight provided in this review an App development project was undertaken post Transformat@lab (May 2012 – August 2012). This project aimed to produce an interactive children's app for distribution on the iOS app store. The App was developed in the run up to the London Olympics, with aims to exploit interest around this event and create an iLand Olympics App utilising the animal characters from the series. A proposal document can be seen in Digital Appendix B.5.

Additional work was also carried out on iLand in preparation for the MIPCube 2012 industry event where the project was selected as a Content 360 Transmedia Finalist and pitched live at the during the MIPCube conference. During this event, the project was also pitched to numerous international producers, one of which WONKY continued further discussions with before the project activity ceased.

iLand Project Abandonment

Activity on the iLand project ceased in August 2012. Until this time there were on-going conversations with interested parties around the potential development of the project. However, over the course of the projects development numerous third parties alongside WONKY had become involved, reducing WONKY's overall control over the project and its rights. It was decided that rather than invest any more resources into the development of the project activity would cease. The continued commitment of resources in attempting to launch the iLand project (through App projects) stemmed from WONKY, yet other parties retained rights to benefit from any success. Thus, the decision was made to allocate time to other projects where WONKY retained more control.

Due to the ceasing of activity the iLand Olympics App project was also abandoned. The timeframe for this project had already been exceeded due to an over ambitious initial timeframe and lack of company time to provide the additional animation and design resources. The iLand project and subsequent abandonment provided valuable experience in the development of original content and the

processes of funding such projects. iLand becomes illustrative of the problems raised through this research project and shows how small original content creators are susceptible to larger companies when seeking traditional routes of funding. From the outset there are always elements of risk in attempting to develop projects of such sizeable scale and no guarantee of success. Thus, indicating how the investment of resources can often go unrewarded.

C. Short Film Digital Delivery

Project Dates: February 2012 – August 2014

Overview

The primary development of original content at WONKY during this research has been the production of the following short films; *Why Did The Chicken Cross The Road? (WDTCCTR?)*, *The Nether Regions*, and *Writers' Block*. These projects have been self-initiated by the company and their respective directors. Practical work focused on how to support these films in the digital environment and extend their life post-production. The experiences with the digital delivery of these short films provide insight into the issues pertaining to engagement, monetisation, and the struggles of visibility in competitive environments.

The following section discusses and evaluates the development and delivery of these short films online and upon the iOS App platform. Firstly a contextual overview is developed, which introduces short films, Apps, and pricing. Next the short films Apps are discussed, before focusing on the online delivery of the short films. A timeline indicating portfolio activity is presented in figure 1. App development documents for each short film can be found in Digital Appendix C.1 – C.3.

Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11
			WDCCTR? Production Begins								
Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12
The Nether Regions Production Begins							WDCCTR? Production Complete			WDCCTR? iPad App Released	Writers' Block Production Begins
Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13
WDCCTR? iPhone App Released	The Nether Regions Production Completed			Writers' Block Production Complete		Writers' Block App Released *					The Nether Regions App Released *
Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14
			WDCCTR? Released Online & App Updated			Writers' Block Full Film Released online & In App				The Nether Regions Full Film Released online & In App	
* Only the films trailer included in the intial App release											

Figure 1: Short Film Production and Delivery Timetable

Contextual Insight

Short Films

Short films provide filmmakers with a means of expression and a platform to prove talents for future funding pools or new work-for-hire roles. Compared to more restrictive commercial work, short films provide creative freedom and opportunities to tell stories their directors are passionate about (Kander 2014). The production of these films are often low or no budget affairs, with an average budget between £1,000 - £5,000, supplemented by ‘in-kind’ support that often exceeds defined budgets (Animate Projects 2013). Funding for short films can stem from a variety of sources including grants, sponsors, in-house funds, or from newer financing models such as crowdfunding.

However, funding through grants has become much tougher with fewer schemes available (Animate Projects 2013), meaning creators are becoming more reliant on self-financing projects. Therefore, production can only be undertaken when time and financial resources allow and is often carried out around the production of work-for-hire roles that meet commercial pressures. Producing content in this manner means the development of these films can exceed initial projections.

The desire to make short films is often driven by the creator’s love of what they do and passion for their creative work.

“I mean we do this because we need to do it. You know like we are very creative people. I do it because I need to do it” (AM 2014, Video-Phone Interview, Digital Appendix I.9 Line 105-106)

These motives override a commercial/money making intention and many short films are released online for free in a directors desire to gain exposure.

“I would like people to see my work more, but not necessarily to make tons of money” (BR 2014, Video-Phone Interview, Digital Appendix I.3, Line 343-344).

Shirky (2003) describes this choice a Fame vs. Fortune dilemma facing creatives that release content online:

“any attempt to derive fortune directly from your potential audience lowers the size of that audience dramatically, as the added cost encourages them to substitute other free sources of content” (Shirky 2003, para. 20)

Yet, this means creatives risk entering vicious cycles of production when it comes to funding future projects when the same need for finance arises. The lack of funding opportunities available and lack of moneymaking intention means the production of short original content is constantly under pressure from commercial demands. Arguments for exposure can also be diminished by the highly competitive nature of digital environments. Cheaper tools of production and self-distribution (Harrison and Barthel 2009) mean competition have increased, as a wider set of filmmakers is able to create and distribute their content online. Each day new short films are released seeking to gain exposure and adding to the pool of competition.

It is not just other short films against whom creatives are competing, but also the entire wealth of content available online. Popular video platform YouTube has 100 hours of video uploaded to its servers every minute (YouTube 2014), and over 50% of YouTube videos have fewer than 500 views and approximately one third have less than 100 views (Frommer and Angelova 2009).

Establishing a foundation upon which original content can be launched and gain exposure are questions of engagement. Engagement builds trust and loyalty that makes consumers receptive to content and over time can develop a potential WTP amongst the audience. This WTP can then aid in making the development of content a more sustainable practice.

Apps

The digital delivery of the short films in this research project has been carried out to investigate new ways of getting audiences engaged with short films. The usual process for short film delivery sees film distributed via film festivals for a period of 1-2 years before being released online. While some shorts may gain distribution deals many filmmakers do little to extend the life of their short films beyond the festival/online lifecycle.

The use of App platforms provides innovative and creative potential to deliver content in new ways, as well as the potential to reach new audiences and revenue

streams. Through Apps added value can be packaged around the short film, including behind the scenes content, additional narratives, and the opportunity to exploit storylines and characters through other mediums such as games. This added value can then provide a competitive differentiator that builds confidence, trust, and enhances audience relationships (Gambetti and Graffingna 2010). These platforms can also increase the spread of content, with integrated social sharing features allowing users to share Apps within their networks, thus encouraging WOM activity which is argued to be “*one of the most effective forms of marketing*” (Bulearca and Bulearca 2010, p297).

The successful digital delivery of these short films can enable WONKY to increase their audience reach, and enhance their engagement with audiences. This audience development can then lay the foundations for WONKY to develop potential revenue streams from these films and contribute towards sustainable original content creation.

Distributing the short films via Apps however, also comes with risks. Like online environments App platforms are highly competitive. The Apple App store alone contains over 1million Apps, and 9 million registered developers (Perez 2014). This makes the market extremely crowded, which becomes evident in figures that suggest 20% of the top iOS developers earn 97% of the App Store revenue, leaving 80% fighting for the remaining 3% (Marchiafava 2011). There are also technical issues that can stretch the resources of an SME.

For a period Apple was the App market leader. However, Google’s Android platform due to its availability across a wider range of devices and greater affordability now has the market share in terms of device sales (Distimo 2011; Dredge 2011). Therefore, excluding one platform can greatly reduce the potential audience.

Yet, the proliferation of Android devices can mean testing can become time consuming and costly. Compared to iOS that has around 8 devices, Android has hundreds to consider (Dredge 2013). On average Android developers state testing on fifty devices, which can be out of scope for small development teams starting out in the App market (Dredge 2013; Evans 2013). Therefore, each short film App is coded with cross platform delivery in mind, but the initial focus centres on iOS distribution.

This strategy is not uncommon, with many of the top iOS Apps unavailable on Android and developers taking an iOS first approach (Dredge 2013).

Pricing

There is evidence of a greater acceptance of premium content by Apple users, with iOS apps generating six times the revenue of Android Apps (Distimo 2011; Evans 2013). However, this is transitioning from a dominance of premium Apps to revenue driven by freemium and ad-based models (Distimo 2011). Thus, indicating similar struggles to the Internet in monetising audiences, as the freemium approach aligns with the perception that audience desires ‘free’.

A VisionMobile report (Mirani 2013) also states the majority of revenue (56%) made in the Global App Economy comes from developers working on commissioned Apps, rather revenue generated by their own Apps. This figure is estimated to increase by 2016, while figures for the total number of paid apps is estimated to fall from 11% to 7%. Therefore, further emphasising that freemium and ad-supported approaches are becoming dominant on App stores.

App pricing must also consider the context of the App itself and the stage of WONKYs engagement with the audience. In the short film Apps the films are the central features, with the games offering mini-extensions of the film ‘world’. The games will therefore not be in-depth to the level where in-app purchases would be an appropriate revenue stream. Advertising is also viewed as inappropriate as it would disrupt from the Apps aesthetic, which from the artistic viewpoint is central to conveying the films message. This point is evidenced by research that finds advertising intrusive to the consumption experience and hampers audience engagement (Reichheld and Schefter 2000; Wang et al. 2002).

The Apps could alternatively be released for free, which is argued to offer an effective method of attracting attention (Shirky 2003; Priest 2008). Such an approach may be suitable as these Apps will be WONKYs first entry into the App market. Initially offering Apps for free would allow WONKY to begin building audiences and enable those without an existing relationship or knowledge of WONKY’s content precedence to enter without risk. Subsequently, relationships can be built and engagement increased. It is argued producers who are able to build relationships and

enhance engagement are then able to command premium prices (Verhoef et al. 2009; Ancarani 2002).

Also, as established earlier revenue generation is not often considered, or is seen as secondary to getting films to an audience and points towards Shirky's (2003) Fame vs. Fortune dilemma. Releasing this work for free can provide an advantage (reduction of risk) that can increase attention and move the creative towards fame. Any attempt to derive fortune by implementing payment options risks losing a large chunk of the potential audience. Yet, as was also suggested earlier, without consideration of revenue creators enter the same cycle with future projects; working with limited resources, thus hampering the production process, or entering the process of seeking external funding, which in itself can become a drawn out process and also affect a projects creative vision.

A PWYW model may provide a way in which creators can approach both fame and fortune. Lusch and Vargo (2007) argue that value is always determined in use and the consumer is always a co-creator of this value. The intangible nature of the film and game content also makes value difficult to determine without prior to use, and value perceptions will differ from individual-to-individual based on tastes, personality, and use context (Bloch and Richins 1983; Holbrook et al. 1984, Van Doorn et al. 2010). Therefore, a PWYW method accounts for different value perceptions and stages of engagement consumers may have with WONKY or with animation content in general. Those with lower levels of engagement can be introduced risk free, upon which engagement may build. While those with deeper engagement may reciprocate value at the level they see fit. Shirky (2003) gives backing to the idea of voluntary style payments by stating; "*mandatory user fees are far less effective than **voluntary donation**, sponsorship, or advertising*". (Shirky 2003, para. 31, emphasis added).

Summary

The issues described so far are present within the development and delivery of each of the short films in this research project:

- Delays in production due to the need to commit resources to work-for-hire projects.
- In-kind support provided in addition to the projects budget.

- Issues with attaining visibility in competitive digital environments.
- Technical limitations
- Struggles with monetisation

Each of these will be discussed in more detail next, beginning with a brief introduction to the production process of each short film. This is followed by a discussion of the Apps and a discussion of the short film releases online.

Short Film Production

Why Did the Chicken Cross the Road?

WDTCCTR? was produced as part of the *LYHO* project (Portfolio A, p218), and was the short film that sought crowdfunding contributions to aid its production. However, the crowdfunding campaign was unsuccessful and failed to reach its target £2,400 goal. Under the crowdfunding plan production was intended to last a few months between late 2010 and early 2011. However, without the desired crowdfunding revenue the short film was supported by the revenues of the company and produced when time allowed around work-for-hire projects. This meant the production of the short film continued in-house until February 2012, and after some additional post-production the film was completed in May 2012.

The Nether Regions

The Nether Regions had a similar stop-start production process. While there was an initial 7-week schedule for the stop-motion shoot this actually lasted 6-7 months, again due to work-for-hire commitments. Like *WDTCCTR?* production was supported by in-house company revenues, with a budget allocated to cover external costs such as music, voice over artist, and festival fees (£3,600). This budget did not cover the internal costs of materials, or paying the director or producer support, which were offered in-kind by the company.

Writers' Block

Unlike the previous two films *Writers' Block* received external funding through the IdeasTap 'Ideas Fund Shorts 2012' scheme, which provided £5,000 to support production. The film was written and directed by Tom Gran and Martin Woolley, members of WONKYs creative collective, who also go under the creative identity Spin Kick Bros. As a condition of the IdeasTap funding applicants were required to

demonstrate the commitment of a creative organisation. WONKY were the organisation supporting the film with in-kind support provided to aid the films production and development of the short film App. The bulk of production at WONKY was carried out during a three month period by a small team of animators, with additional post production carried out by director Tom Gran for a further two/three months. In total, including an on/off period of pre-production, work on the short film lasted approximately 6 months.

In opposition to the *WDTCCTR?* and *The Nether Regions*, the funding provided by IdeasTap meant resources could be allocated to *Writers' Block* for a structured period of time, making production a more efficient process. Even so, director Tom Gran states that the overall work invested exceeded the budget provided; “*well it cost like 5000 plus a bunch of my own time. So if I'd been, if I was, If I wasn't the person making it then it would have cost a lot more.*” (Gran 2014, Telephone Interview, Digital Appendix I.2, Line 56-57).

App Development

Production on the short film apps began at the tail end of each films production and were carried out under my practical role as interactive developer at WONKY. For both *The Nether Regions* and *Writers' Block* Apps the films directors provided additional design assets. This meant there were delays in production as the directors had alternative commitments alongside supplying these design assets. These Apps have thus suffered similar issues to the production of the short films themselves, where original content creation is often sidelined by the need to focus on work-for-hire roles. For example, the majority of the development work for *The Nether Regions* App had been completed by January 2013. Yet, a delay in receiving the design assets for the App, alongside a need for focus on the *Writers' Block* and *Ace Discovery* (Portfolio E, p281) projects, meant the App was not completed until September 2013.

Each App contains the short film, behind the scenes content, and additional mini-games that utilise characters and themes present in the film. The additional content around the film is designed to provide a consumption experience that goes beyond the short film and aimed at increasing audience retention. Short films and films in general have limited replay value, often viewed only once. In cases where they are

viewed multiple times there is often a period of time between each viewing experience. Therefore, the mini-games are designed to provide ‘replay’ value, with ‘Game Centre’ and social sharing features used to encourage audience retention through competitive action, as well as encouraging WOM activity.

The development of these Apps has been carried out in Adobe Flash CS5.5/CS6, a tool chosen as it eliminated the need for any additional technical expertise or training, thus reducing the App development time. Flash also provides the ability to publish across platforms (iOS and Android) without the need to rewrite the code base. This can again reduce development time as developing ‘natively’ can take much longer to bring Apps to market (Issac 2011).

Developing in Flash however has its limitations and can lead to decreased performance, compatibility issues, and limits to the features available (Issac 2011). These problems have been encountered on a number of occasions in the development of the short film Apps. Firstly compatibility issues, which were first encountered with *WDTCCTR?* when an iOS update caused compatibility issues with the App during its first month of release (its main promotional period). This may have hampered chances of gaining promotional material and also damaged the first impressions of those downloading the App during its first month (when highest download rates are often seen). Compatibility issues were again encountered when iOS was updated from version 6 to 7. This resulted in Flash designed Apps unnecessarily requesting access to the devices microphone¹⁵². When this specific issue was encountered all three short film Apps had been released, thus the time required to solve and implement fixes multiplies due to the increased portfolio of Apps.

While these updates improve the Apps and the user experience, they also drain already limited resources and illustrate the continuous nature of App development. In comparison to a creative artefact like a film that gets finished, these interactive artefacts require constant updates and fixes to meet technological advancements, thus becoming even harder for SMEs with limited resources to deal with. The cycle is then added to as SMEs attempt to build on what exists and create suite of Apps, which adds to the workload of artefacts that must be maintained.

¹⁵² See: <https://forums.adobe.com/message/5654932>

Secondly, feature limitations have been encountered particularly with the *WDTCCTR?* App. At the time of this App's production Flash lacked the ability to integrate features such as Game Centre (for game leaderboards and achievements), social network integration (posting to Facebook and Twitter), analytics (to gain insight into the App's usage) and in-App purchasing (to implement PWYW monetisation). Despite these limits, the decision to develop in Flash was taken, as this was the software with which the company had knowledge expertise. Developing with other tools would have required additional technical expertise or training. This then illustrates the limits SME creative studios may have when seeking to take advantage of emerging platforms. Despite advocated benefits and the potential for animation companies to transfer skills to these interactive domains (Kenny and Broughton 2011; Animate Projects 2013), many companies face a lack of technical and knowledge resources to take full advantage of these opportunities. Larger companies are better positioned to develop, or bring in the required expertise, and thus take advantage of emerging markets and technologies (Constantinides 2008). This leaves SMEs facing a constant battle to keep up as they seek methods of bridging the skills gap.

Since the development of *WDTCCTR?*, Flash as an App development tool has improved, with numerous native extensions being developed by Adobe and the Flash community. This has enabled features lacking in the *WDTCCTR?* to be integrated in *The Nether Regions* and *Writers' Block*, and then later added to *WDTCCTR?* through updates. Implementing these features and the development of each App has also become quicker with each iteration, aided by the use of the previous Apps code as a base template, and the general learning and development processes occurring during practice.

While these improvements have been possible over time, what is shown is that due to the limited knowledge and technical resources SMEs may initially have to 'cut corners' or omit features to enter the market, leaving them at a disadvantage. If and when the skills gap is reduced they are then faced with the task of revisiting past projects to implement new knowledge and practices, which can further burden resources. This was the case with the *WDTCCTR?* update undertaken to improve performance and implement missing features, a process which took two weeks of

development time. Further detail on the development of each app is provided in the supporting development documents in Digital Appendix C1 – C3.

App Delivery

The Apps were each released on the following dates:

- *WDTCCCTR?* - 2nd August 2012 (iPad); 10th October 2012 (iPhone/iPod)
- *Writers' Block* – 28th April 2013
- *The Nether Regions* – 17th September 2013

To date the Apps have been downloaded a total of 3771 times¹⁵³ and figure 2 illustrates the progressive downloads of the Apps overtime. Interestingly these download rates have not increased as WONKYs SM audience size has increased or in relation to additional promotional activity as discussed next.

The *WDTCCCTR?* and *The Nether Regions* received SM promotion when first released and around the dates of their film festival screenings. Promotional material was also sent to animation and creative focused websites and blogs, as well as App review sites and forums. These promotional activities were utilised due to their ‘free’ nature, which meant they were appropriate considering the limited financial resources to dedicate to additional marketing.

However, despite this additional promotional activity these Apps have not gained additional downloads in comparison to *Writers' Block*, which received no promotion until April 2014. Promotion of *Writers' Block* only occurred when the App was updated with the full short film to coincide with its online release (Figure 3). The lack of effect from SM and other ‘free’ promotional activities is further illustrated in Figure 4, which includes the download rates for the App *Easter Eggstravaganza*. This App was released as a test case for exploiting seasonal events within the App market and repackaged the *WDTCCCTR?* mini-games under an alternative name. The App was released 29 March 2013 to coincide with the Easter period and like the *Writers' Block* app received no additional promotion. Even so these Apps have received the highest download rates during their first month of publication.

¹⁵³ Correct as of 24 September 2014, data obtained from iTunes Connect. Includes installs to iPad, iPhone and iPod Touch devices.

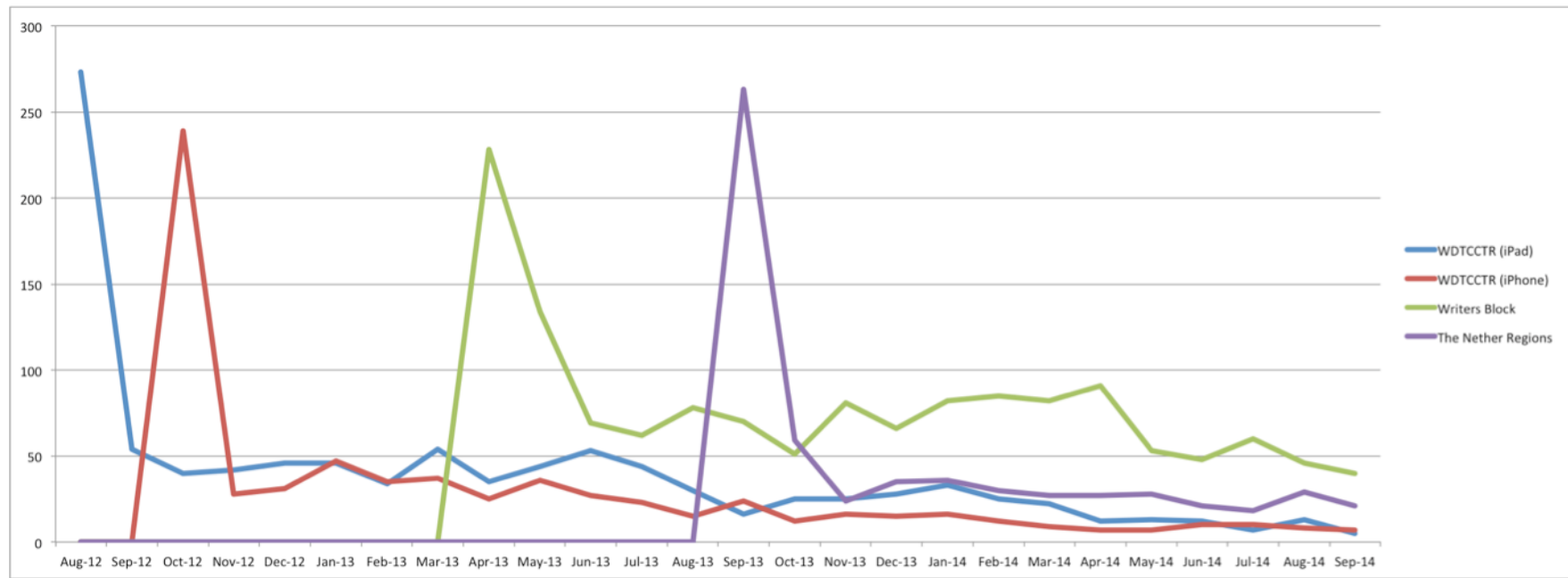


Figure 2: Short Film App Downloads August 2012 – September 2014.¹⁵⁴

¹⁵⁴ Correct as of 24 September 2014, data obtained from iTunes Connect. Includes installs to iPad, iPhone and iPod Touch devices.

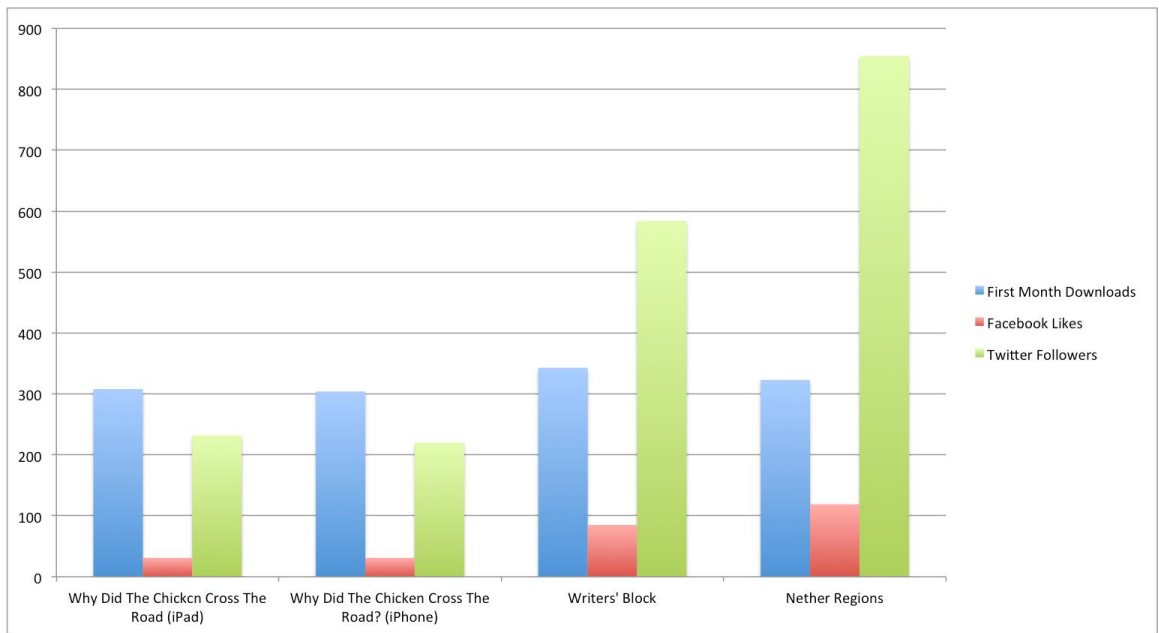


Figure 3: Short Film Apps First Month Downloads.¹⁵⁵

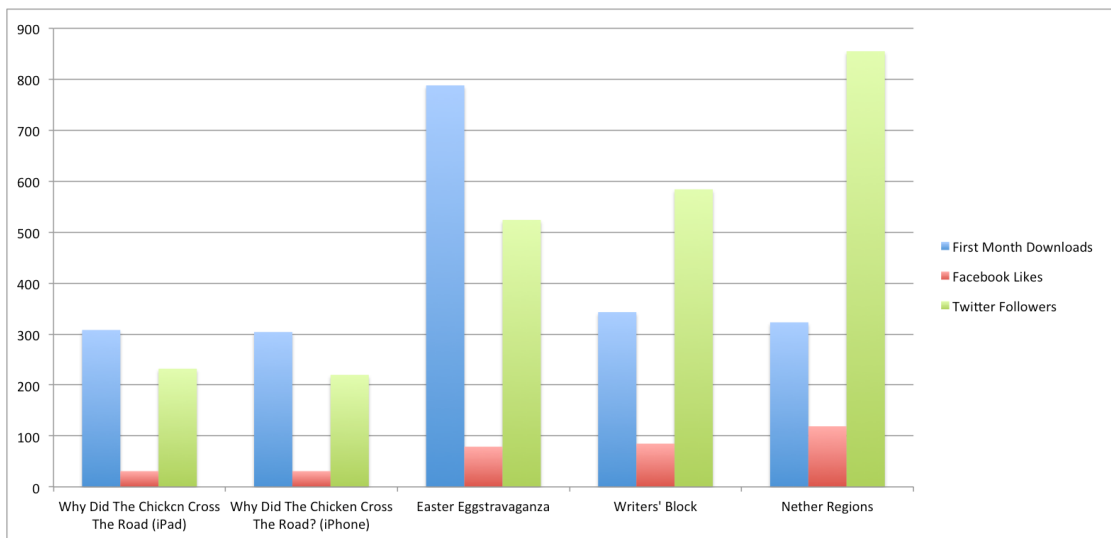


Figure 4: Short Film Apps & *Easter Eggstravaganza* First Month Downloads.¹⁵⁶

¹⁵⁵ Data obtained from iTunes Connect, Facebook Insights and Social Bro.

¹⁵⁶ Data obtained from iTunes Connect, Facebook Insights and Social Bro.

The greater download rates of the *Writers' Block* app can be seen throughout its lifecycle in comparison to the other Apps (Figure 2). This is despite receiving no additional promotion until April 2014 when the App received similar 'free' promotional activities as the other two Apps. This additional promotion did increase the download rates for the App for the months pre and post the online release (Figure 5), with a similar effect seen when the *WDTCCTR?* and *Nether Regions* Apps received additional promotion after their films online release (Figure 6 - 7).

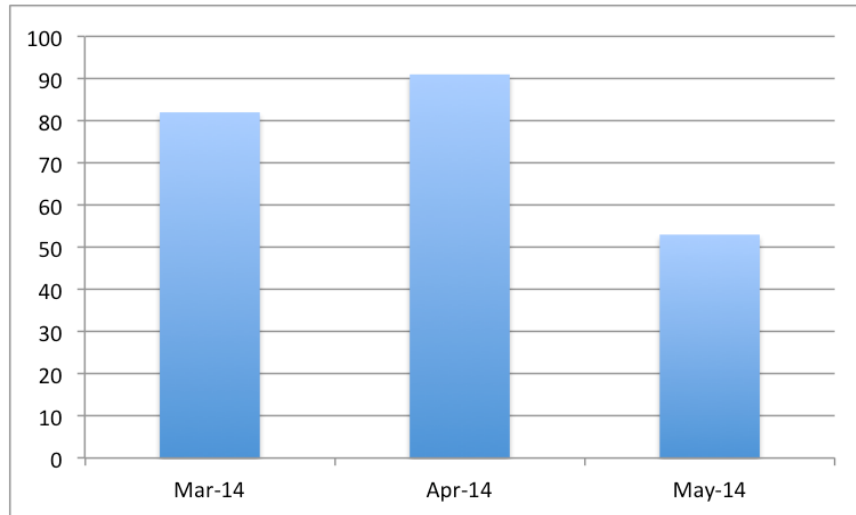


Figure 5: Writers' Block Downloads (Pre/During/Post online release).¹⁵⁷

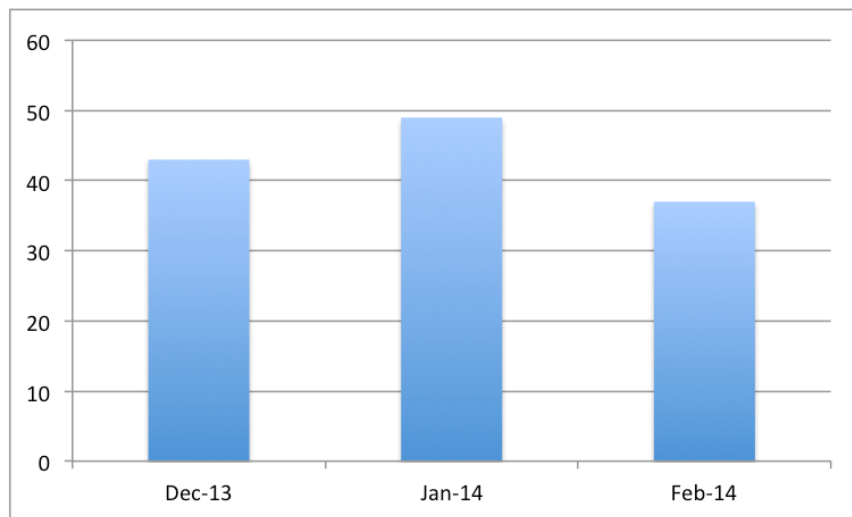


Figure 6: WDTCCTR? Downloads (Pre/During/Post online release).¹⁵⁸

¹⁵⁷ Data obtained from iTunes Connect.

¹⁵⁸ Data obtained from iTunes Connect.

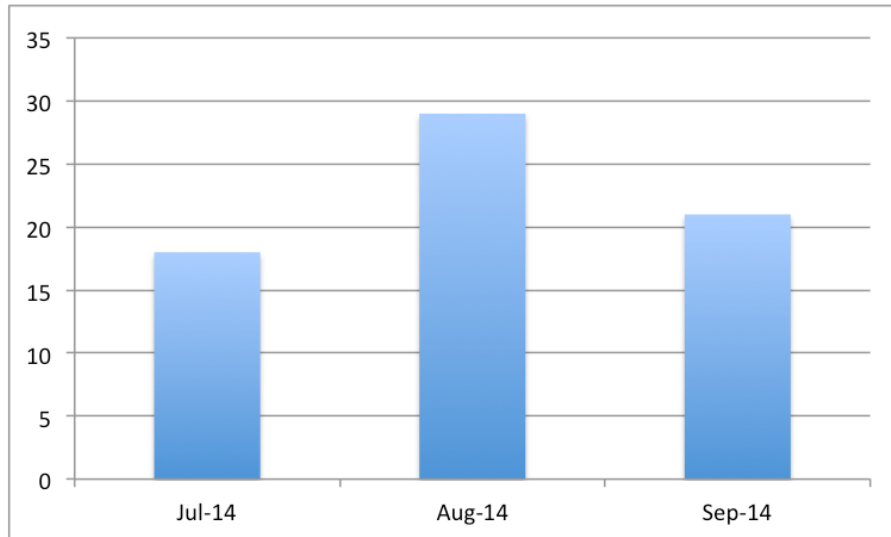


Figure 7: The Nether Regions Downloads (Pre/During/Post online release).¹⁵⁹

Yet, none of these promotional periods raised the download rates by a significant degree. Thus, the effect of free promotional tools in enabling SMEs to gain attention for content in competitive digital environments can be questioned. Even small attempts at utilising paid promotional tactics have had limited effect. These paid approaches had been set around the promotion of *The Nether Regions* App (Figure 8).

Type	Spend	Campaign Duration	Results	Reach	Cost Per Engagement
<i>StumbleUpon Paid Discovery</i>	£20	17 Sep – 17 October 2013	280 URL Views	N/A	£0.07
<i>Facebook Page Like Ads</i>	£25	1 October – 15 October 2013	99 Page Likes	2,671	£0.25
<i>Facebook App Advert</i>	£10	10 October – 20 October 2013	3 App Installs	9,515	£3.33

Figure 8: The Nether Regions paid promotion.¹⁶⁰

These approaches were used to direct attention to the Nether Regions App URL¹⁶¹ (StumbleUpon), increase attention surrounding WONKYs SM platforms during App promotion (Facebook Page Like Ads), and offer direct promotion to the App (Facebook App Advert). All of these promotional efforts were made during the first month of release. Yet, as shown previously (Figure 3), none of these had any significant effect in raising the download rates in comparison to the other short film Apps.

¹⁵⁹ Data obtained from iTunes Connect.

¹⁶⁰ Data obtained from Facebook Ad Insights and StumbleUpon Campaign Insights.

¹⁶¹ See: <http://www.netherregionsfilm.com/the-app>

Of the paid promotional methods, explicit App download results can be seen in one; the Facebook App Advert. However, at £3.33 per install, the costs of generating significant results from paid promotion can be seen (e.g. over £300 to gain 100 installs). While cost per install will differ on a per app/per ad basis with reports suggesting costs as low as £1.00 (Lunden 2013), even this adds up to amounts unattainable for many SME companies seeking significant installs.

With small SM followings and limited resources to significantly invest in paid promotion the effectiveness of these promotional tools appear limited. For those with more expendable resources paid promotional tactics may have greater effect if they are able to invest to a significant degree and ‘kick-start’ a user base towards a critical mass.

Internet entrepreneur and investor Chris Dixon (2013, para. 7) claims there is a rich-get-richer dynamic in the App ecosystem where “*popular apps get home screen placement, get used more, get ranked higher in app stores, make more money, can pay more for distribution*”. Therefore, those attempting to gain visibility are faced with vicious cycles in which they are competing against established entities, which due to their existing popularity have further resources to increase audiences.

The struggles for smaller creative entities in gaining visibility in these highly competitive App market are thus evident. Promotional effort utilising ‘free’ tactics and small scale paid tactics have had no greater effect than offering zero promotion at all. As stated the *Writers’ Block* App has received higher download rates throughout its lifecycle despite it receiving no promotion for its first year. Figure 9 shows the total downloads for each App and shows the two Apps that have received the least promotion (*Writers’ Block* and *Easter Eggravaganza*) out performing the App that received the most (*The Nether Regions*).

It may be argued the greater downloads are a result of the App names; *Writers’ Block* aligns with a condition suffered by authors, and *Easter Eggravaganza* is named to exploit a seasonal event. Users may therefore be discovering these Apps through incidental search, suggesting that creativity and/or promotional effort can be overruled by naming conventions. Thus, in these crowded environments having the ‘right’ name for search may initially be more important than creativity, quality, resource effort or other contributory factors.

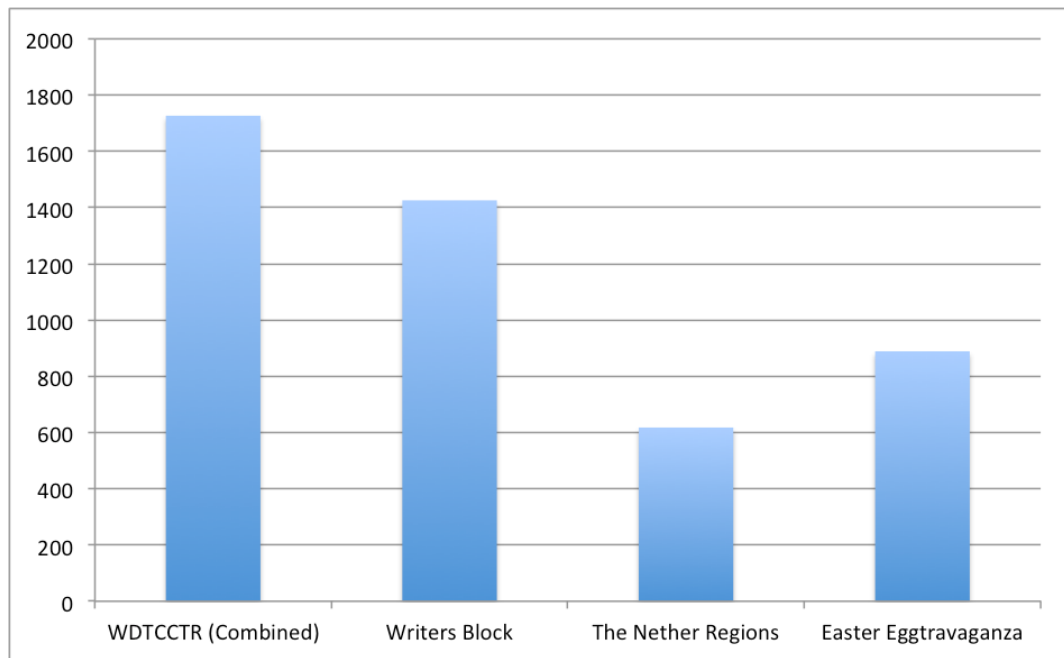


Figure 9: Short Film Apps and *Easter Eggravaganza* download totals.¹⁶²

App Usage

Struggles with the audience have continued with App interactions where analytics show that few users have remained with the App over the course of its lifetime (Figure 10). In terms of active users (average number of users active per day) the numbers are low and reflect only a fraction of the total unique users of each App. Session frequency is also low with the majority of users only undertaking one or two sessions (Figure 11).

	Unique Users	Total Sessions	Session Length Minutes (Mdn)	Active Users Per Day (Avg)
<i>WDTCCCTR?</i>	231	968	1.2	2.62
<i>Writers' Block</i>	1347	2961	1.3	4.01
<i>The Nether Regions</i>	534	1308	1.1	2.8

Figure 10: Key Analytic metrics for Short Film Apps.^{163 164}

As suggested previously, consumers may be discovering the App incidentally. This may mean the 'wrong' users are discovering the App, e.g. not those who may subsequently develop DE with WONKY. For instance, the desired core audience for

¹⁶² Data obtained from iTunes Connect. Correct as of 24 September 2014

¹⁶³ Data obtained from Flurry Analytics. Correct as of 7 August 2014

¹⁶⁴ Differences between the unique users shown by Flurry and downloads indicated by iTunes Connect due to differences in how each report data (e.g. iTunes connect reports a download regardless of whether the App is subsequently opened). For *WDTCCCTR?* analytics have only been integrated January 2014.

the Apps is like-minded animators and creatives, who are likely to display an interest in the behind-the-scenes material and greatest engagement with the short film itself. However, if these users are not being found the App may lack value resulting in disengagement.

Figures 12-14 show the event activity from within each App and indicate that the game and film content receives the most attention (generating the most session and longest session length). The behind the scenes content attracts limited attention and also lacks multiple interactions. These analytics indicate content that may be deemed as ‘entertainment’ driven is more popular than content that may be deemed ‘information’ driven.

These insights highlight the importance of the game content to broaden the Apps appeal with a wider audience. As stated the intention with the App was to attract a creative minded audience, through the film and production content, alongside a broader audience, through the mini-games. However, based on the limited attention directed at the behind the scenes content there appears to be a lack of this creative minded audience. Therefore, without the game content the Apps would have limited appeal to the audience’s they have found. The importance of the game content is also illustrated by the replay value they provide. While the consumption of short film content is often a one off occurrence, games offer replay value as users attempt to better their scores or advance further in the game. Evidence of the replay value offered by the games is shown in Figures 15 - 17, which illustrate the number of replays generated by each game. In comparison the films and behind the scenes style content receive less replay as seen in the number of ‘total events’ compared to ‘unique events’ shown in Figures 12 – 14.

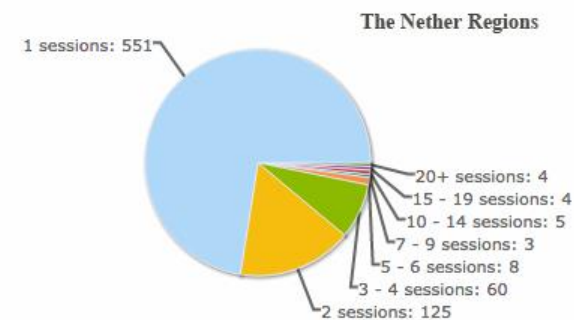
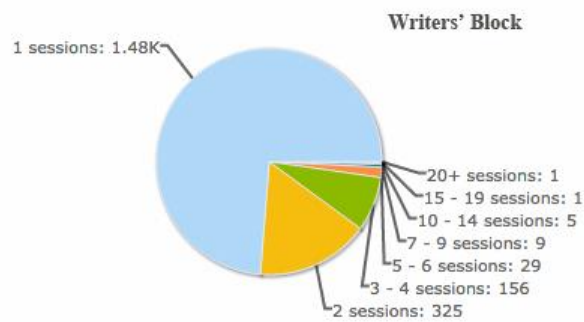
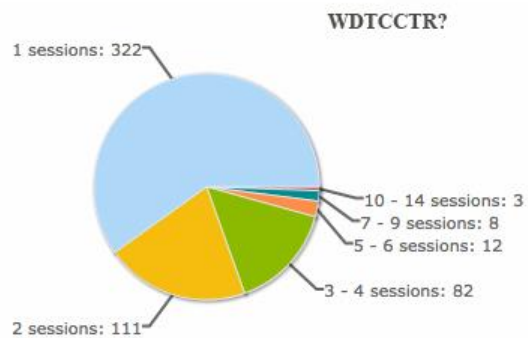


Figure 11: App Session Frequency¹⁶⁵

¹⁶⁵ Data obtained from Flurry. Correct as of 24 September 2014.

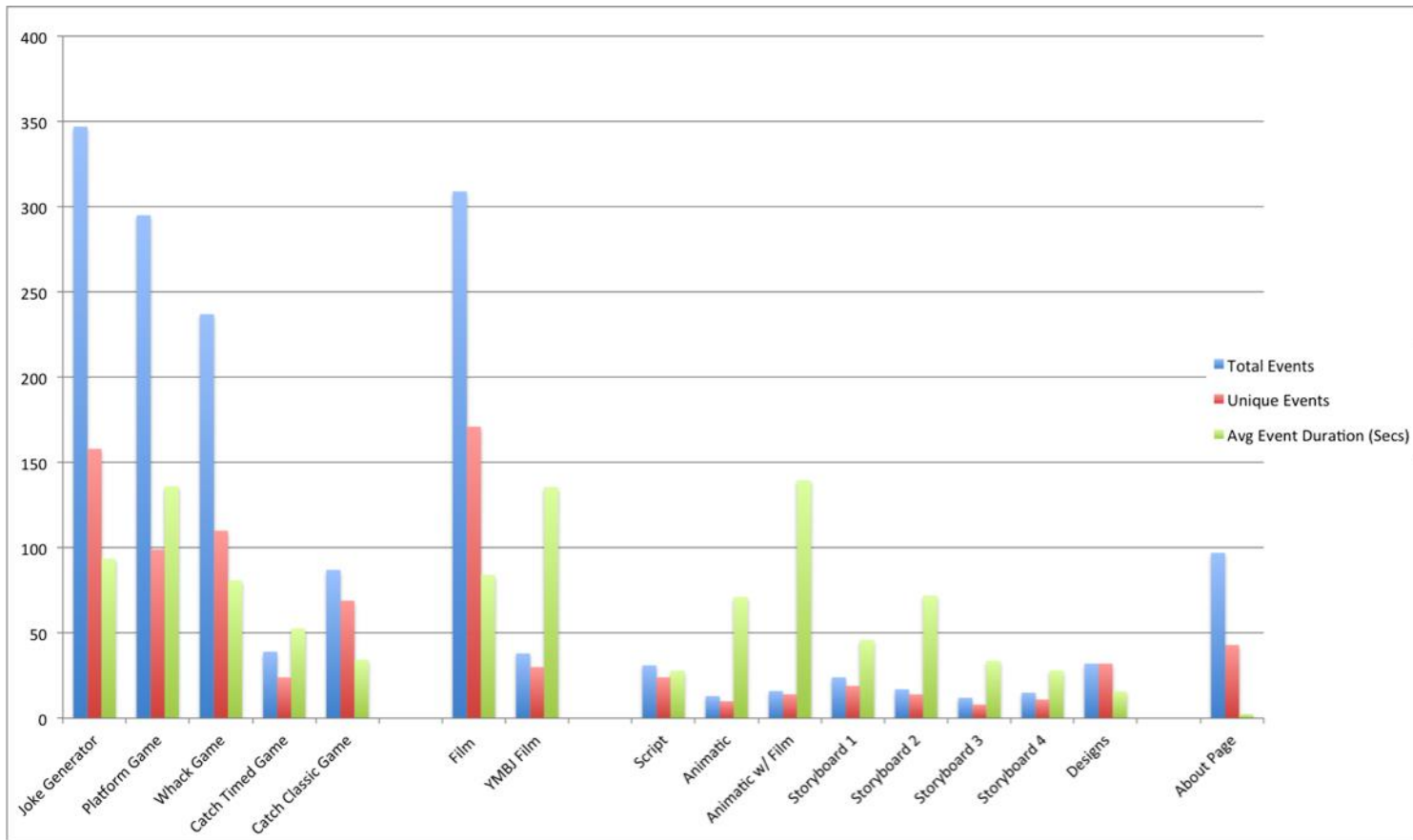


Figure 12: WDTCTR? App Events.¹⁶⁶

¹⁶⁶ Data obtained from Flurry Analytics. Period shown 14 January 2014 – 24 September 2014

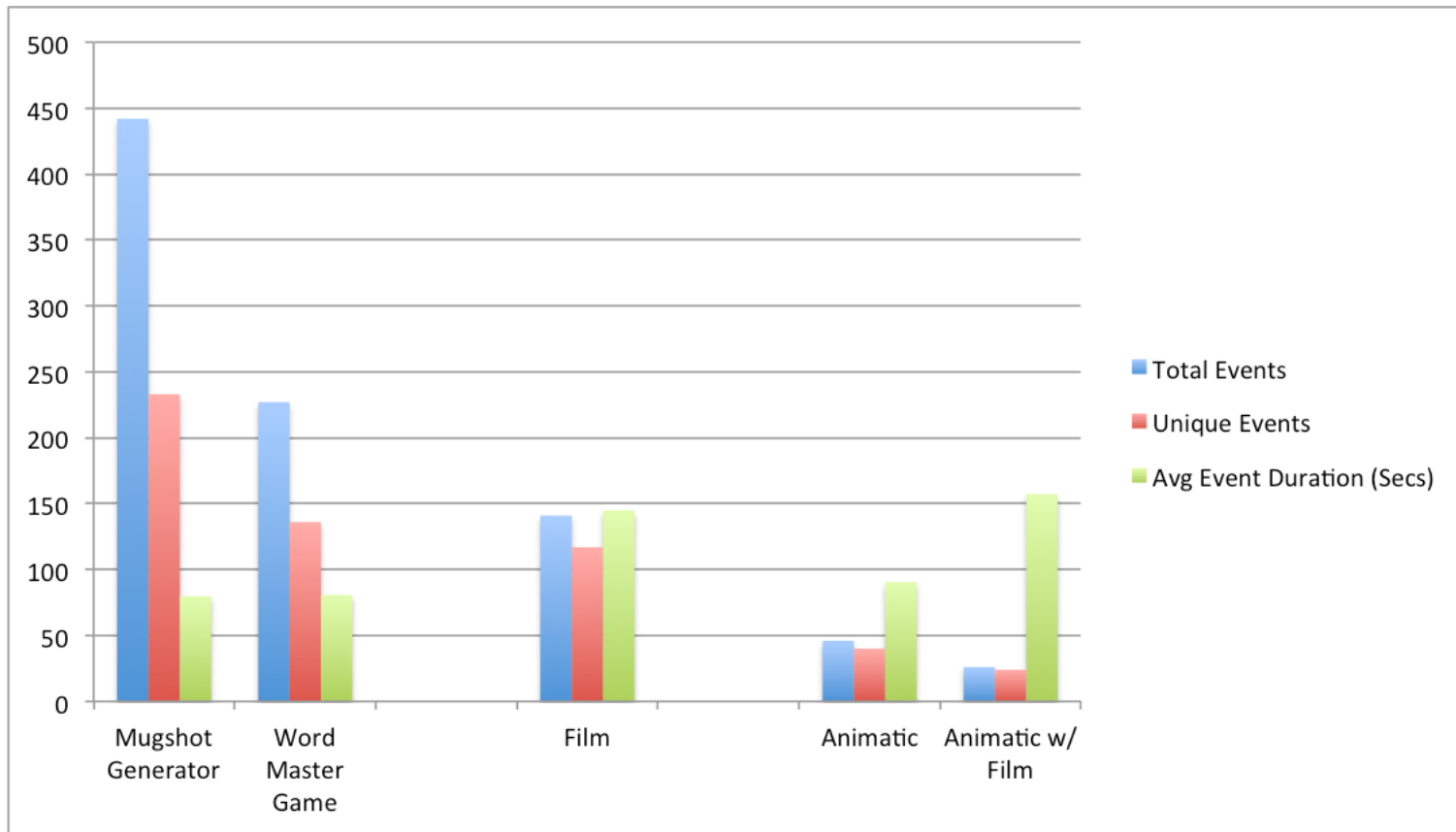


Figure 13: *Writers' Block* App Events¹⁶⁷

¹⁶⁷ Data obtained from Flurry Analytics. Period collected 8th April 2014 – 24 September 2014 (From Date of Full Film Added to App).

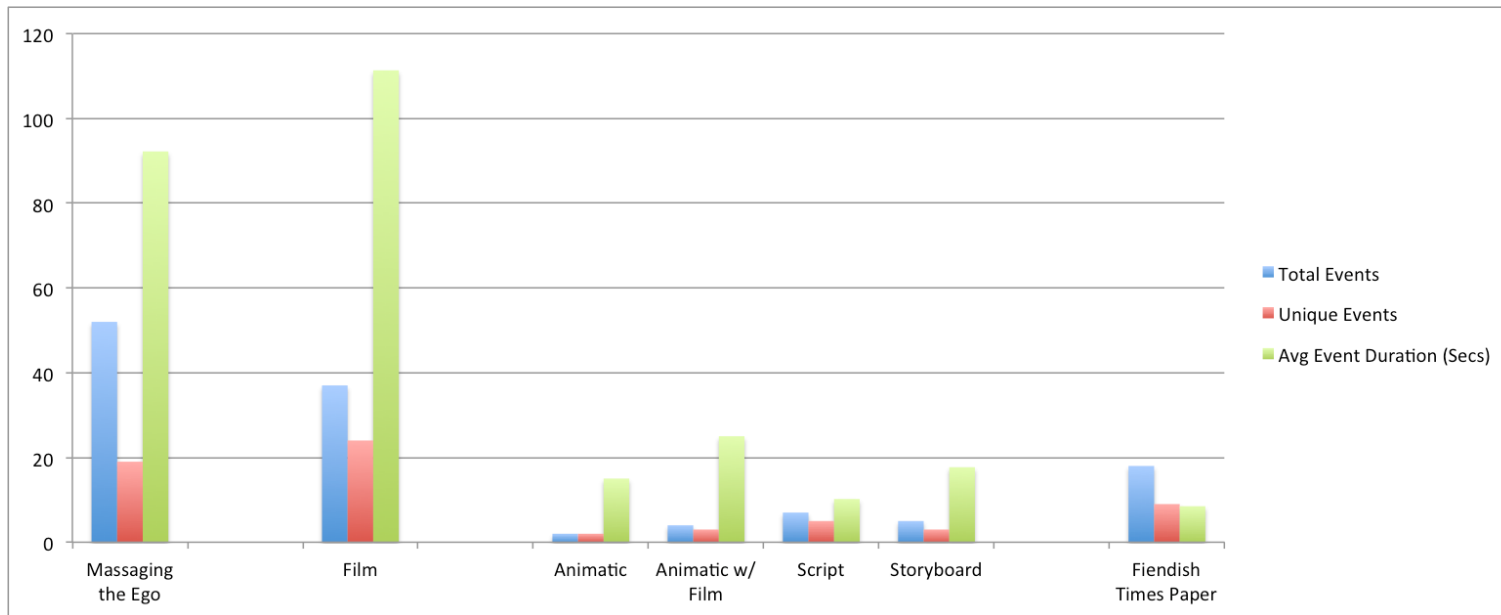


Figure 14: *Nether Regions* App Events¹⁶⁸

¹⁶⁸ Data obtained from Flurry Analytics. Period collected 20 August 2014 – 24 September 2014 (From Date of Full Film Added to App)

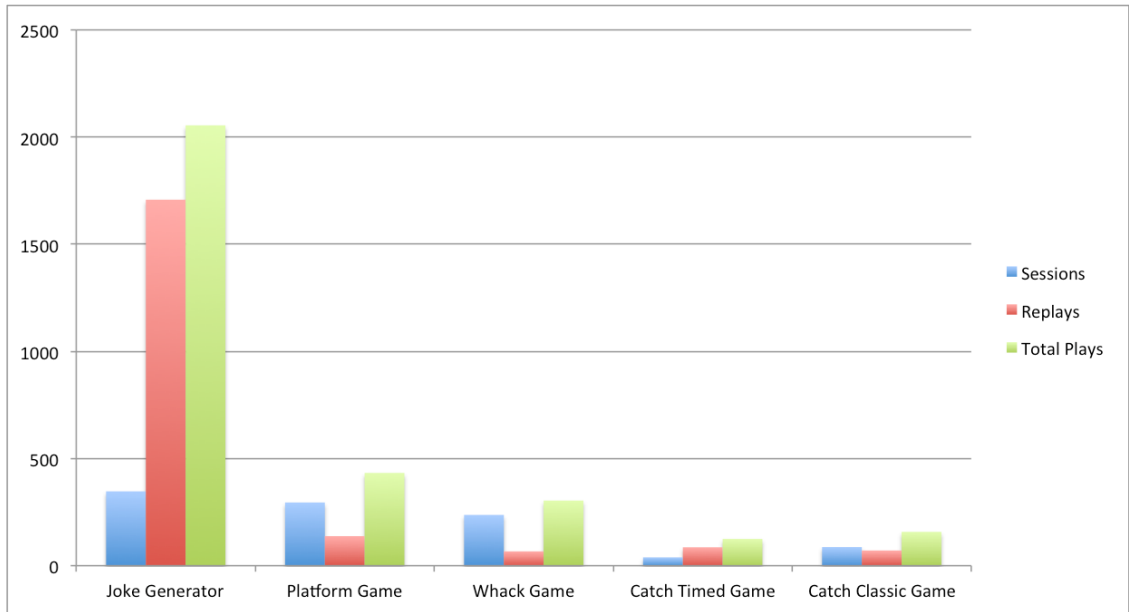


Figure 15: WDTCTR? Game Sessions, Replays and Total Plays¹⁶⁹

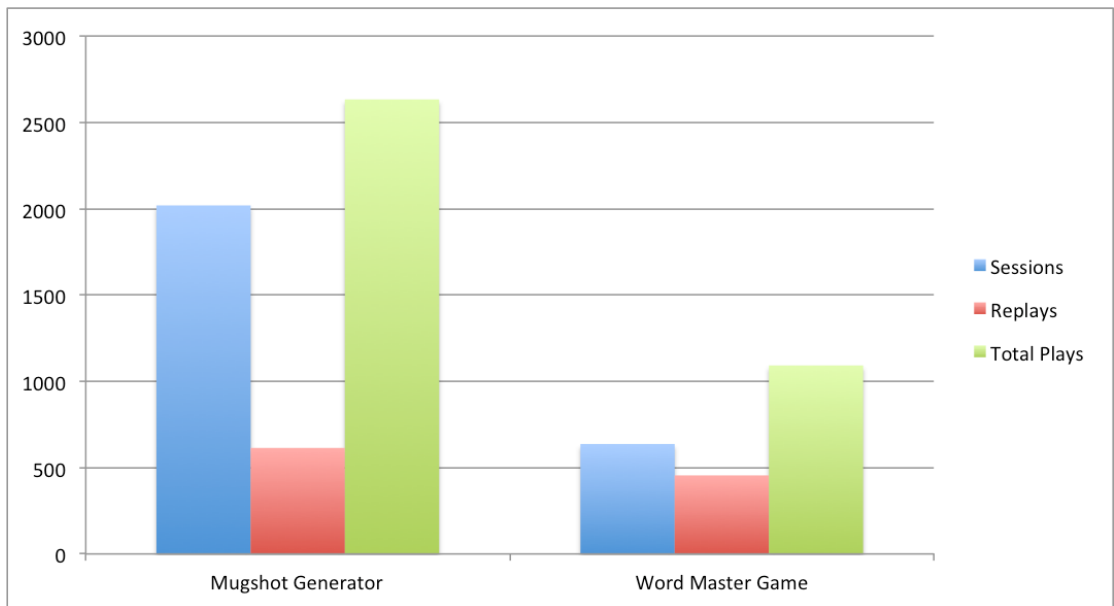


Figure 16: Writers' Block Game Session, Replays and Total Plays¹⁷⁰

¹⁶⁹ Data obtained from Flurry Analytics. Correct as of 24 September 2014.

¹⁷⁰ Data obtained from Flurry Analytics. Correct as of 24 September 2014.

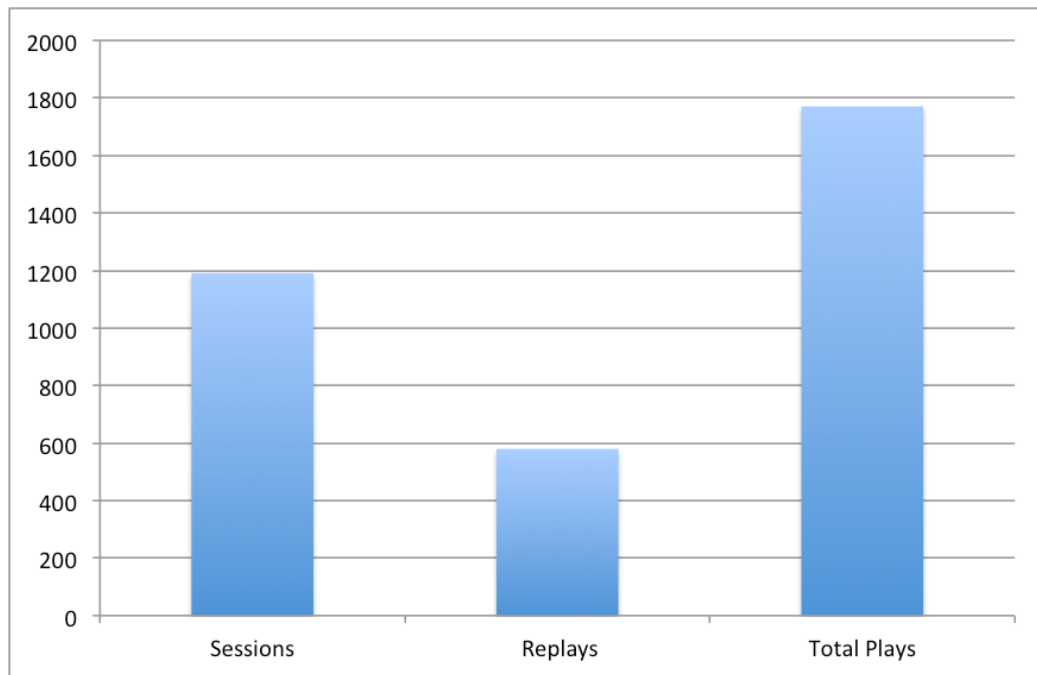


Figure 17: *The Nether Regions* Game Sessions, Replays and Total Plays¹⁷¹

App engagement may also be hampered by the nature of the Apps delivery. Only *WDTCCTR?* contained the full short film for the Apps entire lifecycle. Both *The Nether Regions* and *Writers' Block* initially only included the films trailers due to film festival restrictions on public availability. The full short films have since been added to the Apps to coincide with the online releases of the short films. However, by this time the opportunity to engage the majority of users has passed. The short film is the main value item of the creative artefact; it offers the main artistic vision, narrative and potential DEX experience that contextualises the rest of the Apps content. Until the short films had been added the Apps have relied on the mini-game content, hampering content depth, which creates a couple of issues.

Firstly, it may be attributed to the lack of user sessions shown earlier in Figure 10. Lack of sessions show levels of long-term engagement are missing, which leads to limited use and a lack of motivation for consumer to share content within their own networks. This is indicated by the lack of sharing activity seen within the App either through game centre, or social network activity, and also lack of interaction for continued engagement through the Apps 'more box'¹⁷² (Figure 18). Throughout this research the motivation to share content has been described as an engagement behaviour. Thus, the lack of these behaviours may indicate the games and the Apps

¹⁷¹ Data obtained from Flurry Analytics. Correct as of 24 September 2014.

¹⁷² The Apps more box allows users to find more apps and more content via the WONKY website.

overall are failing to motivate the engagement required. Lack of these behaviours may also be attributed to the lack of other App users. As established previously, attractiveness of participating is increased if consumers can see others participating. With a lack of users the Apps appear less attractive to the consumer (Clement and Schaedel 2010; Hafkesbrink and Schroll 2010).

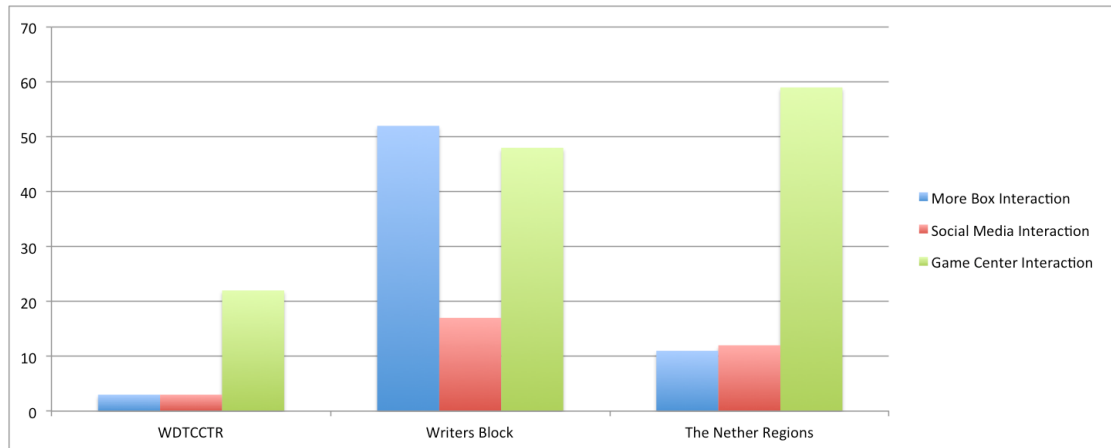


Figure 18: Number of ‘More Box’, Social, and Game Centre interactions¹⁷³

Secondly, a lack of content depth and delayed delivery of the short films is compounded by the lack of users that update the Apps (Figure 19). Thus, while the film may have been included within a later update many users will have already uninstalled the App, or not installed the update, meaning they will not experience the full short film. A better approach to launching these short film Apps would therefore be to release them once the films have completed their festival run and the full body of content can be included upon the initial launch. This will give all the content maximum exposure, increasing film views and increasing the DEX potential of the Apps that can lead to beneficial DEBs.

If WONKY is to continue producing these short film Apps or enter the App market to a greater extent, they are likely to find greater success with prioritising the game content. As evidenced in the analytics the games generate the most attention and enhance the Apps ‘replay value’. The short films have so far been considered the main value item with the games included as ‘secondary’ add-on. Greater emphasis on developing the games with richer narratives should seek to exploit WONKYs strengths in terms of character driven storytelling and not view the games as a secondary add-on but as the primary focus and driver of engagement.

¹⁷³ Data obtained from Flurry. Correct as of 31 July 2014.

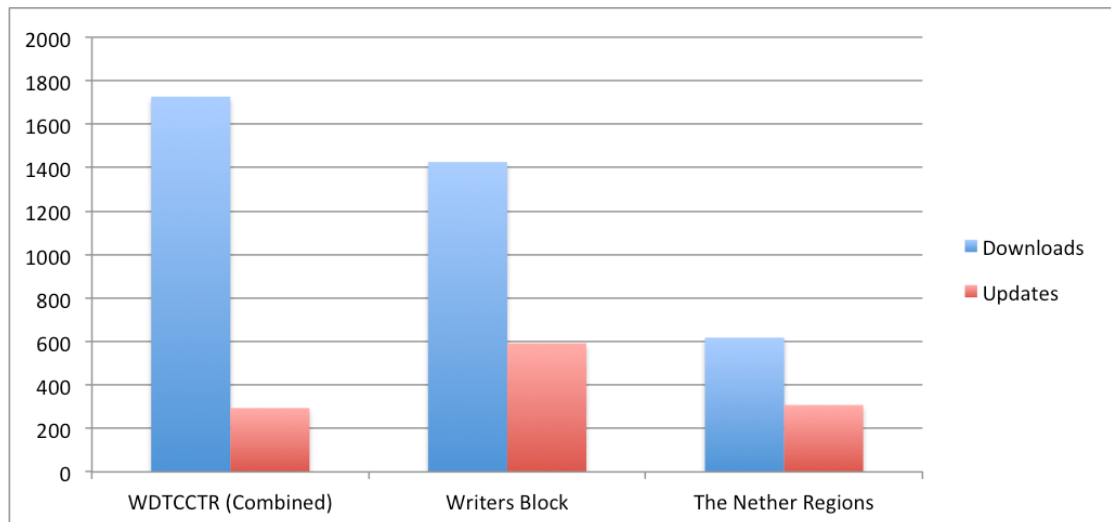


Figure 19: App Download vs. Update Comparison¹⁷⁴

Online Delivery

Each short film was published in 2014 on the following dates:

- *WDTCCCTR?* – 14th January 2014
- *Writers' Block* – 8th April 2014
- *The Nether Regions* – 13th August 2014

The films have been published on Vimeo, as experience during this research has found it easier to gain visibility on this platform over YouTube. The ability to share videos with users you 'follow', as well as add videos to groups and channels can boost initial traction. The Vimeo platform is also argued to have a more engaged and like-minded filmmaker audience (FilmShortage 2013), thus the platform aligns with the main target audience. A dedicated website¹⁷⁵ for each short film has also been produced to increase avenues of discovery and provide a linking destination to aid online promotional activity.

Similar to the short film Apps promotional activity has focused on 'free' approaches. Leading up to each film's online release SM posts using production material from the short films have been delivered to generate initial awareness (Figure 20-22). This approach seeks to build early engagement through LEX towards the release of the short film (DEX). Once the films have been released promotion has

¹⁷⁴ Data obtained from iTunes Connect, Correct as of 31 July 2014. Comparison takes total downloads before film is added to the App, against number of updates after the film is added to the App.

¹⁷⁵ *WDTCCCTR?*: <http://www.laughyourheadoff.co.uk>

Writers' Block: <http://www.writersblockfilm.com>

The Nether Regions: <http://www.netherregionsfilm.com>

continued through SM, and promoting the film with relevant animation and creative focused websites, blogs and forums. This promotion has also incorporated information about the short film Apps. Prolonged SM activity has shared news of the films successes online (e.g. reviews, director interviews) to maintain interest and visibility for the film and maintain a cycle of LEX/DEX/LEX that lasts for the pre, during, and post phases of the online release (Figure 24).



Figure 20: *Writers' Block* Facebook Promotional Post¹⁷⁶

¹⁷⁶ Screenshot taken 8 August 2014 from <http://www.facebook.com/WonkyFilms>.

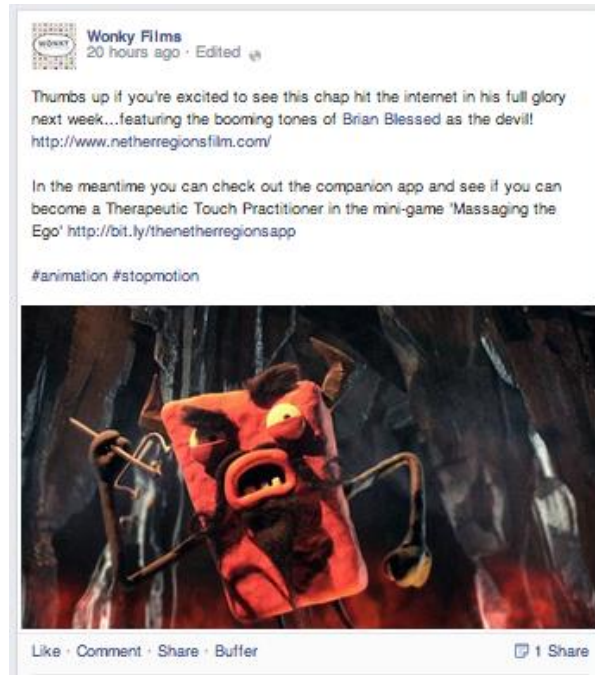


Figure 21: *The Nether Regions* Facebook Promotional Post¹⁷⁷

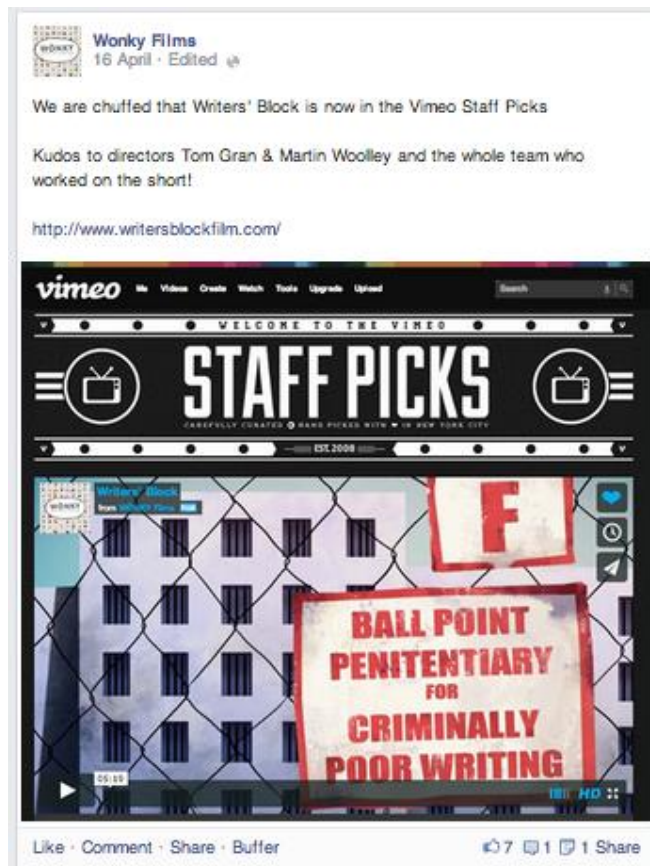


Figure 22: *Writers' Block* Post Release Facebook Promotional Post¹⁷⁸

¹⁷⁷ Screenshot taken 8 August 2014 from <http://www.facebook.com/WonkyFilms>.

The short films have had varied success (Figure 23) with both *Writers' Block* and *The Nether Regions* receiving significantly greater exposure than *WDTCCCTR?*. The greater exposure achieved by these films has been aided by these films being selected as 'Vimeo Staff Picks'¹⁷⁹ and *Writers' Block* also being featured on the popular website 'Short of the Week'¹⁸⁰.

Film	Release Date	Views	Comments	Likes
<i>WDTCCCTR?</i>	14 January 2014	812	6	24
<i>Writers' Block</i>	8 April 2014	55,915	24	919
<i>The Nether Regions</i>	13 August 2014	118,555	24	785

Figure 23: Short Film Viewing Statistics¹⁸¹

These two sources provide additional credibility and an extended audience that WONKY is unable to reach alone. Figure 24 indicates the viewing statistics for *Writers' Block* attained up until being selected as a staff pick and then viewing figures seven days after becoming a staff pick. The same is shown for *The Nether Regions* (Figure 25), where the Staff Pick has a significant effect on views.

	Views	Comments	Likes
<i>Writers' Block: Pre Staff Pick</i>	5193	10	109
<i>Writers' Block: Post Staff Pick</i>	24389	5	575
<i>Increase (%)</i>	+369.65	-47.36	+427.52

Figure 24: Writers' Block Pre and Post Staff Pick Viewing Statistics¹⁸²

	Views	Comments	Likes
<i>Nether Regions: Pre Staff Pick</i>	1565	12	93
<i>Nether Regions: Post Staff Pick</i>	78588	12	550
<i>Increase (%)</i>	+4921	0	+491.4

Figure 25: Nether Regions Pre and Post Staff Pick Viewing Statistics¹⁸³

The Vimeo Staff Picks channel and the Short of the Week website are both curated destinations. Four full time curators (O'Falt 2014) work on the Vimeo Staff Picks channel selecting videos from thousands uploaded each week. This is valuable

¹⁷⁸ Screenshot taken 8 August 2014 from <http://www.facebook.com/WonkyFilms>.

¹⁷⁹ See: <https://vimeo.com/channels/staffpicks/60097083> / <https://vimeo.com/channels/staffpicks/57863017>

¹⁸⁰ See: <http://www.shortoftheweek.com/2014/04/17/writers-block/>

¹⁸¹ Data obtained from Vimeo Stats, correct as of 24 September 2014. Represents total views.

¹⁸² Data obtained from Vimeo Stats

¹⁸³ Data obtained from Vimeo Stats

to the channels ‘followers’ who discover the best Vimeo content without the need to search. This is then valuable to the creators, as content is delivered to an audience who is engaged and receptive to the content delivered by these curators. The additional exposure these curated channels bring shows the power they have in ‘holding keys to attention’.

The higher viewing figures are unachievable for many creators seeking to expose their films without having previously established a large audience or have additional resources to seed videos further. Figure 26 illustrates this point by indicating the vast disparities between content viewing figures for a selection of content produced by WONKY including original and work-for-hire content.

Film	Views	Released	Description
<i>You Must Be Joking</i>	680	Feb-11	Short Film undertaken prior to research project
<i>WDTCCTR?</i>	812	Jan-14	Short Film undertaken during research project
<i>Writers’ Block</i>	55,915	Apr-14	Short Film undertaken during research project
<i>The Nether Regions</i>	118,555	Aug-14	Short Film undertaken during research project
<i>Ace Discovery</i>	591,204	May-13	Short Pilot commissioned and published by Cartoon Hangover
<i>Dot Circle Box</i>	1,546,487	Nov-13	Commercial Project involving WONKY, marketed by Samsung Mobile

Figure 26: Viewing Figure Comparison of WONKY created content¹⁸⁴

The differences indicated here show how additional resource backing can effect exposure irrespective of the nature, quality, or message of the content. The figures also diminish arguments of exposure gained from the development of short films due to the difficulties and variability of exposure. As shown gaining exposure for short films is susceptible to the influence of others, without which views can stagnate in the hundreds.

¹⁸⁴ Data obtained from Vimeo and YouTube Stats. Correct as of 24 September 2014

Arguments for exposure are further diminished when considering the short films against all content delivered online. While some of these viewing figures may be respectable in comparison to other independent short film content they are insignificant compared, for example, to home videos of cats that gain millions of views¹⁸⁵. This illustrates the difficulties faced by creators seeking exposure online as the nature of what gets consumed is often easy to digest snack like content (Shao 2009). This is argued by *Writers' Block* director Tom Gran who states “*shallow stuff becomes popular. The stuff you can just watch quickly and get, an just get it and jut be like that’s funny and not really care about it again*” (Gran 2014, Telephone Interview, Appendix I.2 Like 382-384).

One issues faced by short film creators is short film production does not lend itself to building audiences and engagement online. The frequency and consistency of delivery that is recommended to develop and engage audiences (YouTube 2014b) is often unattainable. As seen in this discussion production processes can be over 12 months, thus original creators cannot meet the demands of online audiences whom seek content on demand.

“It’s difficult for us. ‘cause we can’t, we, because of how long the animation takes we can’t be very consistent, and [...] that’s like the most important ingredient if your want to make money on YouTube” (TL & SJ 2014, Telephone Interview, Appendix I.4, Line 395-398).

Therefore, curators may be more likely to benefit from the efforts of creators. Curation circumvents the resource demands required to develop DEXs, thus content can be delivered with greater frequency to satisfy audience demands for content. This enables curators to build engagement through the content of others. For example, ‘Vimeo Staff Picks’ do this by consistently delivering content targeting the consumers’ engagement with independent creative work. They are then able to retain the consumer who trusts in their ability to continue to curate quality content. The consumer then adds value to the curated platforms through engagement behaviours such as WOM and commenting activity.

The exposure developed by curated platforms is beneficial when the value transitions to the creator. For *Writers' Block* this has occurred through new

¹⁸⁵ See: <https://www.youtube.com/watch?v=go43XeW6Wg4>

opportunities arising, such as the film being selected for additional film festivals and licensed by Future Shorts who offer a 50% revenue share of advertising. However, the long-term benefits are questionable. For example growth on WONKYs SM platforms (Facebook and Twitter) have remained steady, with no significant peaks during the launch periods of these short films (Figure 27). Thus, there has been little evidence of audiences transitioning back to WONKYs online platforms to create engagement foundation for future original content. Future content launches therefore continue to be susceptible to gaining the attention of curatorial ‘gatekeepers’.

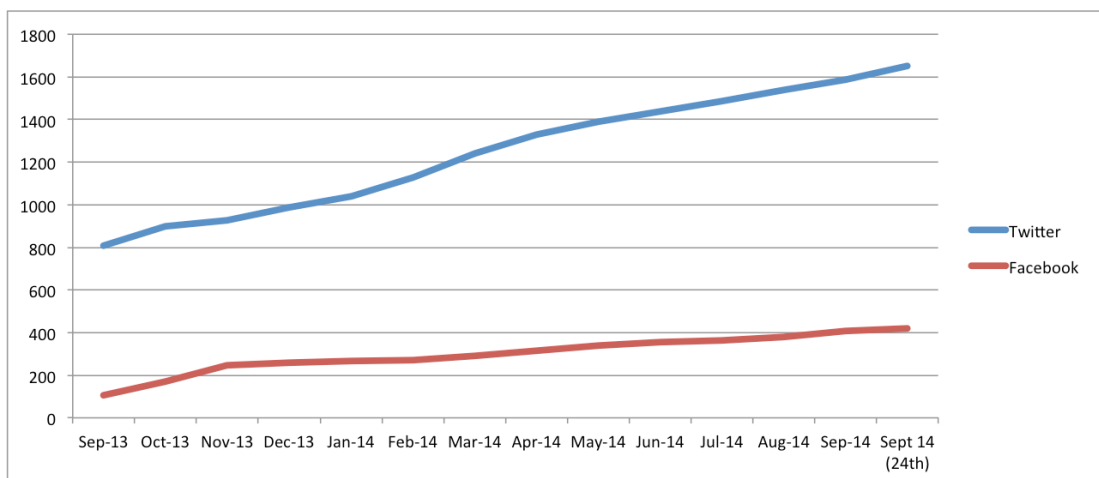


Figure 27: WONKY SM growth.¹⁸⁶

There are ways in which views can be boosted to gain the attention of these ‘gatekeepers’. Utilising functions mentioned earlier on platforms like Vimeo that allow the sharing of films among other users can give early visibility. Also ensuring all those involved in the production of the short film are promoting the launch can aid the traction of views. This has been the case with *Writers’ Block*, which had a larger production team than *WDTCCTR*. Directors Tom Gran and Martin Woolley worked with a number of creative friends in producing the short, who were all active in promoting the short when it was released online (Figure 28). The duo also works under their creative identity ‘SpinKick Bros’ further increasing the promotional foundation available for the short film. The short film thus had more views in its first day (1490) than *WDTCCTR?* has generated overall (812¹⁸⁷) and also nearly as much as *The Nether Regions* had attained before becoming a ‘Staff Pick’ (1565). The greater the initial pool of individuals involved in promotion, the greater the

¹⁸⁶ Data obtained from Social Bro and Facebook Insights. Period collected September 2013 – July 2014.

¹⁸⁷ Correct as of 24 August 2014

foundation network is to gain exposure. This initial exposure can aid in providing the film with a critical mass that can bring it to the attention of curatorial gatekeepers (Allen 2011).



Figure 29: *Writers' Block* background artist Adam Davis aiding the shorts initial promotion¹⁸⁸

PYWY Attempts

Revenue generation for these short films has been attempted through PWYW methods. Within the Apps PWYW has been presented as a series of in-app purchases (£0.69; £2.49; £4.99) accessible via a button on the Apps main screen, and triggered as a pop up after the short film is viewed, or the App is loaded for the 25th session. Pop-ups are triggered at these times as they occur in prime moments of engagement; directly after the DEX, or after an indication of long-term engagement. For the online releases PWYW has also been implemented using the Vimeo 'Tip Jar' function that allows viewers to 'tip' videos any amount they wish, and also through a 'Fuel' button located on each films designated website, which enables donations via PayPal.

However, none of these have yet generated any form of revenue. Throughout this research the act of contributing a PWYW donation has been defined as a DEB requiring DE with the content and its creator, especially in light of the abundance of free alternatives. Thus the lack of DEB present around WONKYs content may be attributed to a variety of factors.

¹⁸⁸ See: <https://twitter.com/adamladavis/status/453527828320227328> Screenshot taken 30 April 2014

Firstly, the level of audience numbers required to encourage a PWYW is not yet present around WONKYs content. In the research study on engagement and WTP for animation content, it is argued those with a WTP will be in the minority (Portfolio G, p418). Yet, as can be seen by the viewing figures (Figure 28) high views have not been consistently achieved. This is not aided by the way PWYW is implemented. On Vimeo the ‘Tip Jar’ option is only viewable for those consuming directly upon the films Vimeo page and is not visible to those consuming the video from an embeddable source. Neither is the ‘Tip Jar’ visible for the film within the Vimeo iOS App or if the film is viewed on the Vimeo Staff Picks channel. Therefore only a fraction of viewers will see the ‘Tip Jar’ option. For example 30,528 of the 55,915¹⁸⁹ views for *Writers’ Block* are from embedded sources.

Secondly, the earlier discussed issue of the films being added to the Apps in a later update may have hampered PWYW. In the Apps the films are intended as the main DEX item that may encourage DEB and contextualizes the rest of the Apps content. Without the films the content depth and value of the Apps is reduced, and by releasing the films in an update only a small percentage of the entire audience will have consumed the Apps with the full content value present (Figure 21).¹⁹⁰ This strengthens the argument for delaying the Apps release until the entire body of content can be included. It was also suggested earlier that these Apps are not attracting the core desired audience of animation and creative focused individuals, thus not developing an audience likely to display a WTP for this content, or develop a DE with WONKY.

Finally, it must be remembered that engagement takes time; time to establish trust with the audience through a body of existing precedence. While WONKY has a strong body of commercial work, its original content precedence is more limited. The short films discussed as part of this research have only been available online since the beginning of 2014. Therefore, there have been limited opportunities for WONKY to consistently deliver DEX to develop DE, which can then encourage DEB.

¹⁸⁹ Data obtained from Vimeo correct as of 9 August 2014.

¹⁹⁰ While the *WDTCTR?* App has had the film present since first publication, PWYW has only been present since January 2014, and thus creating a similar issue as only just over 200 consumers has used the App with PWYW present.

However, this presents a vicious cycle, as unless monetary DEBs can be encouraged and original content can be monetised, WONKY remain reliant on work-for-hire projects to finance original content. This then hampers production and limits the ability to deliver content with the required consistency to create DE. The alternative to work-for-hire revenues is external funding, however, this often only aids the production of one creative artefact. Once this is complete the cycle is entered again and the same need for finance is present unless models can be found that encourage monetary consumer DEBs.

The desire for exposure and the tendency to release content for free also does little to help the situation. Rather it fuels an audience desire for free by increasing the abundance of free content and subsequently reducing the value of creative content.

“So I made my film and I just stuck it on the Internet for free [...] that means that somebody whose trying to make money out of make a short film, there’s less room because the market is flooded with the kind of rubbish that people like me chuck out there” (SM 2014, Video-Phone Interview, Appendix I.8 Line 650-654)

This creates a throwaway nature to content, due to the ease in which it can be accessed, thus reducing the consumers’ WTP. These issues are present in all areas of the creative industries, including music and feature film where piracy is commonplace.

There have been attempts to tackle these issues, with a rise in subscription-based models (Netflix and Spotify) and Vimeo’s attempts to provide monetisation options through its VOD and Tip-Jar options. Yet, again, the question of who benefits the most from these services arises. These aggregators of content make revenue from the entire body of content available on their systems multiplying the potential sources of income. In opposition each individual creator only has their content with which they can derive revenue. Individual creators are thus reliant of gaining high levels of exposure, which as established can be highly variable and difficult.

Top-level aggregators benefit from the entire accumulation of creative works, taxing creators for access to attention. Beneath the aggregators, curators benefit by guiding consumers to others with shared passion and interest, and creating

engagement through the content of others. Without the resource demands of *creating*, curators can provide the frequency of content delivery required for engagement.

Creators are then left to rely on these services for attention and potential revenue, yet chances of these are variable and un-guaranteed. This is the case with *Writers' Block* and the licensing agreement with Future Shorts, which includes YouTube distribution where WONKY receive 50% of the films advertising revenue. Yet, as a standalone item of content the revenue generated for WONKY is insignificant (\$1.32 – \$11.02¹⁹¹). However, Future Shorts earns revenue from the entire body of content they are distributing and can be consistent through curation. Thus, those benefiting the most from the creative talents of creators are not those making the creative works, but those who are providing the audience with the most convenient access to creative works.

This leads back to rich-get-richer dynamics as discussed earlier and how the aggregators at the top have the control over what exists, what gets promoted, and favours the status quo (Dixon 2013). These dynamic favour the aggregators' interests as content from established players bring in audiences and revenue from which they benefit. Smaller and un-established enterprises thus face a harder battle to gain exposure and attention in these ecosystems.

Conclusion

The digital delivery of these short films highlights the struggles faced by creative SMEs in delivering original content in highly competitive digital environments. The nature of these environments favours established entities that bring attention and engagement behaviour benefits to aggregators and curators.

Success is highly variable and SMEs may see little effect of promotional efforts due to limited SM audiences and lack of resources to significantly invest into paid promotional efforts. Hopes of exposure thus rest on gaining the attention of curatorial gatekeepers that 'hold the keys to attention'. However in highly competitive environments this exposure is shown to have questionable long-term value and the further content is removed from the original creator the harder it is for engagement to transition back.

¹⁹¹ Based on 8821 views on the channel as of 24 September 2014. Approximate calculations provided by <http://ytcalc.com/>

As discussed there are ways in which more could be done to improve the delivery of the content discussed here. Short film Apps should avoid the staged release that has occurred here and ensure they are released with full content depth. This will give all content the opportunity for maximum exposure. Future development should also focus on greater development of the game ideas and make these the primary focus of the Apps. The games have been shown to generate the most attention and offer replay value that can aid long-term engagement.

Attempts at generating revenue have been unsuccessful, but have also been hampered by the implementation (egg. Vimeo 'TipJar') and the nature of the Apps delivery (e.g. not including the full short film when first published). Even so, the biggest barrier to DEBs may be the ability for the consumer to gain content for free. The abundance of free content and a creative desire for exposure reduces the perceived value of creative content and makes the consumers desire for free hard to break.

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D. Ace Discovery

Project Dates: February 2013 – November 2013

Ace Discovery is an animated short commissioned by Frederator Studios and produced by WONKY Films. Practical work focused on the projects promotional activity to enhance audience reach and engagement. In comparison to Portfolio C (p239), Portfolio D highlights the differences between producing original content independently and producing it with the backing of a larger entity with increased resources. However, despite this additional backing the difficulties faced by creative SMEs in developing and delivering original content are still evident.

The remainder of this portfolio is structured as follows. First a timeline of key project activities is presented in Figure 1. This is followed by a review of the Ace Discovery project, which first introduces the cartoon and contextualizes it against its comparative artefacts. The remainder of the review discusses the project activities in relation to engagement and it particular discusses the notions of LE/DE, LEX/DEX and LEB/DEB. Crowdfunding is also briefly discussed and provides further evidence on this monetisation approach. Finally, an accompanying Digital Appendix provides a development document for an online game produced as part of this project and the game itself (Digital Appendix D.1 – D.2).

	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13
Ace Discovery					Too Cool! Cartoon Announced* (1/2/13) Ace Discovery promotion begins Costume Design Contest Launched (13/2/13)	Costume Design Contest Vote (4/3/13) Too Cool! Cartoon Trailer Released Costume Design Contest Winner Announced (10/3/13)	Original Anticipate Ace Discovery Launch	Drumbeat' Period of Promotion by Cartoon Hangover* Game Development Begins (1/5/13) Ace Discovery 'Sneak Peak' video released* (16/5/13) Ace Discovery 'Sneak Peak' video released* (24/5/13) Ace Discovery Released on Uncensored Channel* (30/5/13)	GIF Contest Launched (6/6/13) Ace Discovery Animatic Released* (8/6/13) Ace Discovery Behind The Scenes Video Released* (11/6/13) Anticipated Game Release (21/6/13)		Remastered Ace Discovery Released on Censored & Uncensored channels* (29/8/13)	
	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14
Ace Discovery		Game Development Abandoned Ace Discovery Promotional Activity Ceases										

Figure 1: Ace Discovery Timeline of Activities (*Denotes materials released by Cartoon Hangover)

Project Context

In this first section a brief overview of *Ace Discovery* and Cartoon Hangover is offered to place the project in context. *Ace Discovery* is a short cartoon commissioned by Frederator Studios for their Cartoon Hangover YouTube channel, as part of their Too Cool! Cartoon series. The commissioning agreement included the potential for *Ace Discovery* to continue into a series. Its creators Tom Gran and Martin Woolley pitched *Ace Discovery* to Frederator with WONKY approached to oversee production

Cartoon Hangover was launched as part of a YouTube \$100 million original channel initiative. The initiative was funded by Google to bring original content to YouTube. The Too Cool! Cartoons series was one of three series' announced with the launch of the Cartoon Hangover channel alongside *Bravest Warriors* and *SuperF*ckers*.

In the six months between the launch of its main series *Bravest Warriors* and commissioning *Ace Discovery* Cartoon Hangover developed a healthy online presence (Figure 2). It may be suggested this has been aided by the investment from the YouTube original channel initiative. This illustrates the differences in resources available between a SME studio such as WONKY and a larger enterprise like Cartoon Hangover, who are backed by studio with existing precedence (Frederator Studio) and the YouTube initiative, and thus able to accelerate the growth of their audience.

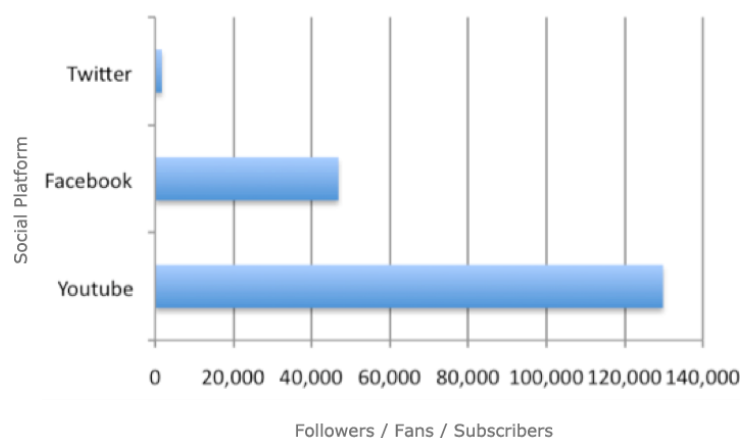


Figure 2: Cartoon Hangover Online Presence¹⁹²

¹⁹² Correct as of February 2013 when *Ace Discovery* was commissioned

Five other shorts were commissioned alongside *Ace Discovery* for the initial Too Cool! series launch. These came from creators ranging from relative unknowns to those who had created a large online followings. Figure 3 illustrates the differences between each of the creator’s online reach and indicates *Ace Discovery* falls behind the other shorts in terms of existing online audience. These figures are only approximate, as data relating to Tumblr followers is not publicly available. *Rocket Dog* and *Dead End* creators both made announcements regarding their Tumblr followers, but even these figures are likely to have increased. Also creators of the other shorts all maintain Tumblr accounts, but public data was not available. However, the lack of Tumblr data illustrates that the gap between *Ace Discovery* and the other cartoons is likely to be wider than shown below.

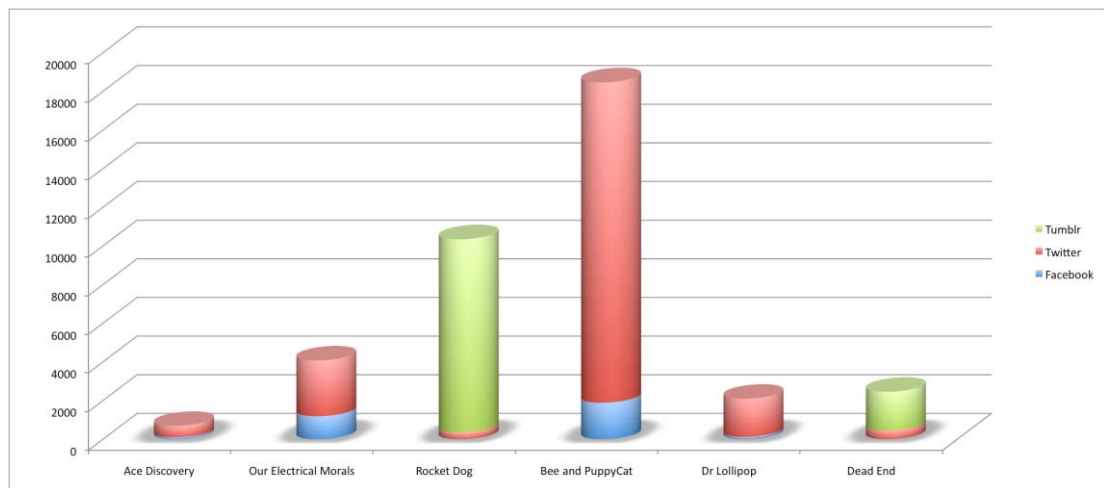


Figure 3: Too Cool! Cartoon Creators online presence¹⁹³

LEX/DEX Content Approach

In this next section Cartoon Hangover’s approach to content delivery is discussed in relation to the notions of LEX and DEX, and a process of engagement stacking. This is followed by an introduction to the *Ace Discovery* approach to content delivery based of this LEX/DEX approach. Finally the promotional activities occurring during the *Ace Discovery* project are discussed, referring to the LEX/DEX approach and its subsequent impact on LE/DE and LEB/DEB.

¹⁹³ Publicly available data obtained from Facebook, Twitter and Tumblr. Correct as of February 2013.

The delivery of Cartoon Hangover's early content followed a structured approach. The first half of the *Bravest Warriors* series was delivered every week, switching to fortnightly for the second half of the series. The first half of *SuperF*ckers* series followed a similar weekly the schedule, but with episodes going out on Cartoon Hangovers Uncensored Channel. Delivering content in a defined structure has become a widely adopted behaviour and is advised by YouTube in their creator's playbook (YouTube, 2013). The frequency of content delivery helps satisfy online audiences who are argued to seek alternatives if their needs are not met (Clement and Schaedel, 2010).

Between episodes Cartoon Hangover maintains interest on its social platforms (Tumblr, Facebook and Twitter) by using behind-the-scenes production content from its cartoons as promotional content. They also hold a regular 'Fan Art Friday' in which they post user submitted content to their Tumblr site. On YouTube, Cartoon Hangover maintains activity between episodes by utilising behind-the-scenes footage (e.g. voice recording footage and animatics), or compilation clips for 'Sneak Peak' or 'Best of' videos.

This content approach is akin to what has been described in this research as LEX and DEX, which contribute towards LE and DE. The cartoon episodes themselves represent a DEX; they are the main value object and motivator for people to engage with Cartoon Hangover's content, thus offering DE. The production costs and time that goes into creating such DEX means they cannot feasibly be delivered with any increased frequency. Thus to maintain engagement between episodes, LEX are delivered through the smaller items of content, such as 'Best of' round ups, and production materials shared on the SM channels.

On their own such LEX would not be able to create engagement beyond LE; without the greater context of the DEX episodes they are superficial in nature. Vis-a-versa the DEX are enhanced by the LEX which serve to maintain the attention around the channel, motivate continued conversation around the DEX, and 'ramp up' towards new DEX. This cycle of engagement creates a process of what has been described in this research as engagement stacking, creating ebbs and flows of engagement strength and value. This is consistent with Airely's (1998) discussion of experiences. Ariely argues that a varied intensity of experiences can increase overall

evaluations, and a variety of intensity that builds upwards will leave better positive evaluations. Thus, the build-up of LEX towards the delivery of a DEX episode provides a varied pattern of intensity building upwards to the deeper final experience.

It may be suggested that this ordering of LEX towards DEX is favourable to motivating audience contributions in Cartoon Hangover's 'Fan Art Friday'. The act of creating fan art can be described as a DEB due to the greater effort required by the action. DEBs are opposed by LEBs that require effort from the user, such as 'liking' or sharing a SM post. The increased effort to produce a piece of Fan Art means greater engagement is needed from the audience, which is peaked by the delivery of the episode the day before. The increased value of the episode provides enhanced potential for DE, which in turn may provide greater motivation for the DEB.

The strategy for the output of *Ace Discovery* content aimed to build awareness and engagement through a similar LEX/DEX/LEX approach. This content was delivered on the same platforms as used by Cartoon Hangover; Tumblr¹⁹⁴, Facebook¹⁹⁵ and Twitter¹⁹⁶. The cartoons directors also created Twitter feeds for the shows central characters^{197 198 199} despite warnings of the additional work this would require. Promotional content for *Ace Discovery* was also delivered by Cartoon Hangover on their own channels, as well as sharing some of the content delivered by WONKY.

The LEX/DEX/LEX cycle began with pre-launch promotion utilising materials from the cartoons production (storyboards, character designs, design assets) and audience contributions (LEX). This was followed by promotion of the cartoon when launched (DEX); promoting it to the existing audience on SM and wider audiences through press materials on related websites and blogs. Finally, prolonged promotion after the cartoons release utilised additional behind-the-scenes video material, episode GIFs, and links to relevant press materials like director interviews (LEX). This promotional cycle is discussed in greater detail next, highlighting the key aspects and difficulties experienced through the projects promotion.

¹⁹⁴ See: <http://bringmoregin.tumblr.com>

¹⁹⁵ See: <https://www.facebook.com/pages/Ace-Discovery/412903852117081>

¹⁹⁶ See: <https://twitter.com/TruAceDiscovery>

¹⁹⁷ See: <https://twitter.com/bringmoregin>

¹⁹⁸ See: <https://twitter.com/RipTornRobot>

¹⁹⁹ See: <https://twitter.com/numba1acefan66>

Schedule Alterations

Output of promotional content began with the initial Cartoon Hangover announcement of the Too Cool! Cartoons on 1 February 2013. From here content was delivered with a target schedule of posts every 3/4 days building towards the cartoons launch date, which was original anticipated as being in April 2013.

However, alterations were made to the anticipated launch date pushing it back to May 30th 2013. This delay hampered the effective delivery of promotional material around the show, as the new date meant prolonging activity and the requirement of additional content. The altered schedule included a key promotional period nicknamed “the drumbeat” by Cartoon Hangover. So called, as it is the period of time in which the key promotional pieces are utilised to get the show within the audiences’ attention and establish expectations (LEX building towards DEX). The drumbeat period included promotional activity in the month leading up to the show and for a number of weeks post the show launching.

Had the May 30th launch date and “drumbeat” period of promotion been known earlier initial promotion would have been delayed and tied into these activities. This alteration can highlight some potential issues of working under a larger partner, and to an extent, having to contend with alterations beyond your own control. In an interview *Ace Discovery* co-director Tom Gran states there may also have been a lack of communication on both sides that hampered the production and promotion of the cartoon (T Gran Telephone Interview, Appendix I.2 Line 209-217).

Too Cool! Cartoons Launch Trailer

During the initial promotional period Cartoon Hangover released a trailer on March 7 2013. To gain insight into the feelings towards the Too Cool! Cartoons, an analysis of the YouTube comments was undertaken. At the time of analysis the trailer had received 565 comments. The analysis looked at which cartoons were being discussed and the tone of these comments. (Figure 37).

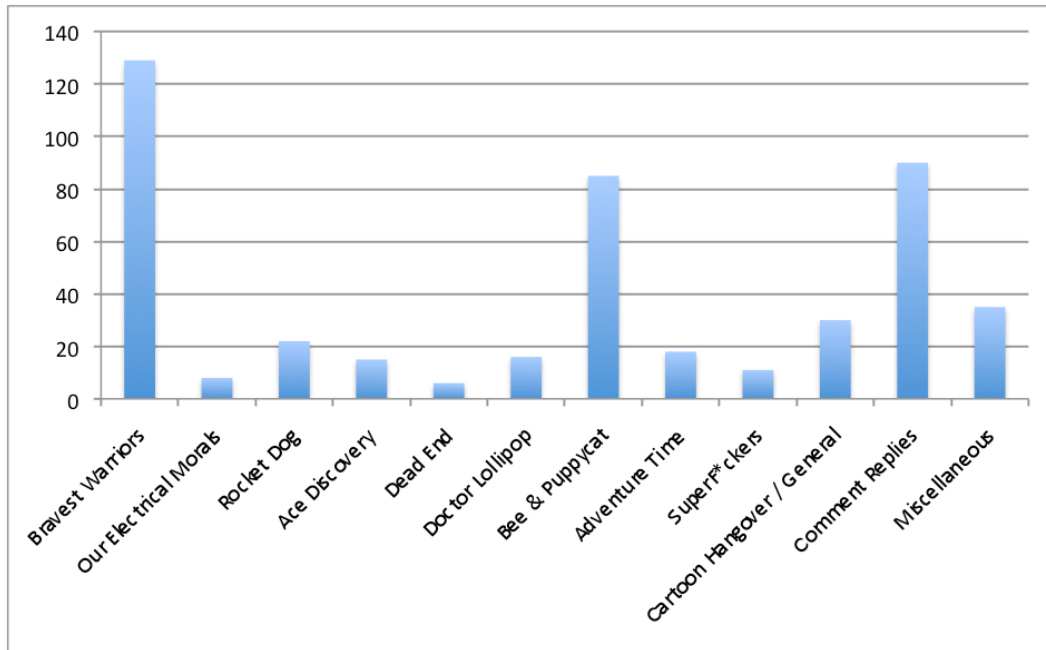


Figure 4: Too Cool! Cartoon Trailer Comments

The majority of the discourse focused on *Bravest Warriors*. The trailer was released on the same day as the final episode of *Bravest Warriors* series 1, and many of the comments were dedicated to people wanting more *Bravest Warriors* rather than the new cartoons. Until this stage the Cartoon Hangover audience had been built around the *Bravest Warriors*²⁰⁰ series and the announcement of the new cartoons caused disharmony among the existing audience. The comments illustrate how the audiences' engagement stemmed from an engagement with *Bravest Warriors* rather than the Cartoon Hangover itself. For creative content producers this highlights issues in attempting to transition audiences across different properties. With each new cartoon Cartoon Hangover must enter into a process of establishing expectations and igniting interest.

“your channel is most popular due to bravest warriors don't go off on a limb for other cartoons when your best one is still needed to be made” (Jordan Ricketts, 2013)

Aside from *Bravest Warriors* the next cartoon to generate the most discourse was Natasha Allegri's *Bee & Pussycat*. Based on the figures relating to the creators existing online presence this was unsurprising (Figure 3). Natasha is well known for

²⁰⁰ The Super F*ckers series was released on the smaller uncensored channel

her previous work on the popular Cartoon Network series *Adventure Time* and has built many fans for her art style. Thus anticipation for *Bee & PuppyCat* may stem from its design similarities with *Bravest Warriors* and *Adventure Time*. These similarities narrow the gap of engagement for audiences to transition between and accept new cartoons.

“Ah yes, I can’t wait to watch some of these new shows and was please to have now know that Natasha will have her own cartoon. Thank you cartoon hangover. Anybody else excited to see Natasha’s new ‘project’?” (Taffy Velasquez, 2013).

“Aw sweet, I love Natasha Allegri! She’s the one in charge of the Fionna and Cake comic. Her work is dangerously cute” (A23Channel1, 2013).

In comparison the remaining cartoons received limited discussion. The comments they did generate either showed positive foresight towards the specific cartoon, or commented on surprising elements from the compilation of clips. For example discussion around *Ace Discovery* focused on the clip of exploding dick alien characters from the cartoon, which shows how surprise can be used as a method to effect engagement (Teixeira et al., 2012).

“Dead end at 0:25 looks fricken awesome” (BoomdeadNG, 2013)

“The penis-shaped things explode and white stuff comes out. Riiiiight”
(grayfoxpianist11, 2013)

Audience Contributions

One aspect of the *Ace Discovery* promotional strategy was to seek audience contributions in the form of a costume design challenge. This challenge sought to encourage participation through the fulfilment of recognition needs, argued to be a key motivator for user generated contribution (Shao 2009; Leung 2010). When looking to gratify recognition needs, the audience seeks to establish their identity, gain respect and publish expertise. The design contest provides all three, with contributing artists promoted via the *Ace Discovery* channels (establish

identity/publish expertise) and the final chosen design broadcast in the final show with a potential audience of thousands (publish expertise/gain respect).

The design challenge was launched on February 13 via the *Ace Discovery* social channels (Figure 5). The challenge ran until March 4 with entries showcased as they came in to further promote the challenge. A total of 7 entries were received along with 7 self-created entries. These self-created entries were produced to circumvent issues of inactivity (Clement and Schaedel 2010) and lack of understanding of how to participate (Rashid et al. 2006). Thus, these entries were designed to motivate further activity and provide users with an example of what to do.

At the time of the challenge *Ace Discovery's* direct online audience was still low (Facebook: 150; Twitter 56; Tumblr 35²⁰¹). Therefore a low number of entries should have been expected. The 1% rule common in Internet culture defines participation inequality seen upon many online communities. The rule argues that 1% of sites visitors will be active contributors, 10% will interact around content provided by the 1%, while the remaining 90% lurk (Nielsen 1997; Harowitz 2006; McConnell 2006).

However, Cartoon Hangover also shared the initial challenge post on their Facebook page increasing reach by an additional 4,300²⁰². Combined with the additional reach provided by the SM profiles of the *Ace Discovery* creators (WONKY, Tom Gran and Martin Woolley), the total potential reach would be approximately 4,500. Therefore the 7 entries gained falls below the 1% estimation. This may be explained by the fact that *Ace Discovery* was still in an LE stage.

²⁰¹ Data obtained from Facebook, Twitter and Tumblr. Correct as of February 2013.

²⁰² Data obtained from Facebook Insights. Correct as of February 2013.



Figure 5: Costume Challenge Facebook Post²⁰³

Lack of Engagement

The contest was launched early in the *Ace Discovery* promotional cycle and other material being used at the time was only LEX, thus there was a lack of DEX to create DE. As discussed previously the act of creating fan art or, in this case a costume design, is a DEB, which requires DE motivation. Thus, it may be argued that the costume challenge was presented too early, as there was a mismatch between the required DEB and the LE among consumers. Those who did contribute were within the *Ace Discovery* creator's first-degree network. The nature of the first-degree network means their engagement and trust stems from a personal connection rather than a reliance on content. Therefore, those who did contribute already had a level of engagement required to act out the challenges DEB.

This engagement mismatch is emphasised by the voting process on the design entries. This was created to increase the visibility of *Ace Discovery* through comment 'votes' on a Facebook post highlighting the top 5 entries (Figure 6). Compared to the DEB of designing a costume the act of commenting is a LEB and as a result there was a higher rate of engagement with the voting behaviour. This led

²⁰³ Screenshot taken 13 July 2014 from <https://www.facebook.com/pages/Ace-Discovery/412903852117081>

to the post achieving the highest reach of all content shared by *Ace Discovery*, benefiting from being shared by Cartoon Hangover, as well as additional reach created by the entrants in the top 5 promoting their design in their own networks and the audience interacting (commenting) on the post.



Figure 6: Costume Challenge Voting Post²⁰⁴

This lack of engagement for DEB was illustrated again when a GIF competition designed to source audience created content failed to generate a single entry (Figure 7). The act of creating a GIF may be seen as a higher-level task requiring some technical skill and effort on behalf of the user. This barrier to entry can limit participation, which was further hampered by the competition not being shared upon the Cartoon Hangover SM platforms.

²⁰⁴ Screenshot taken 13 July 2014 from <https://www.facebook.com/pages/Ace-Discovery/412903852117081>

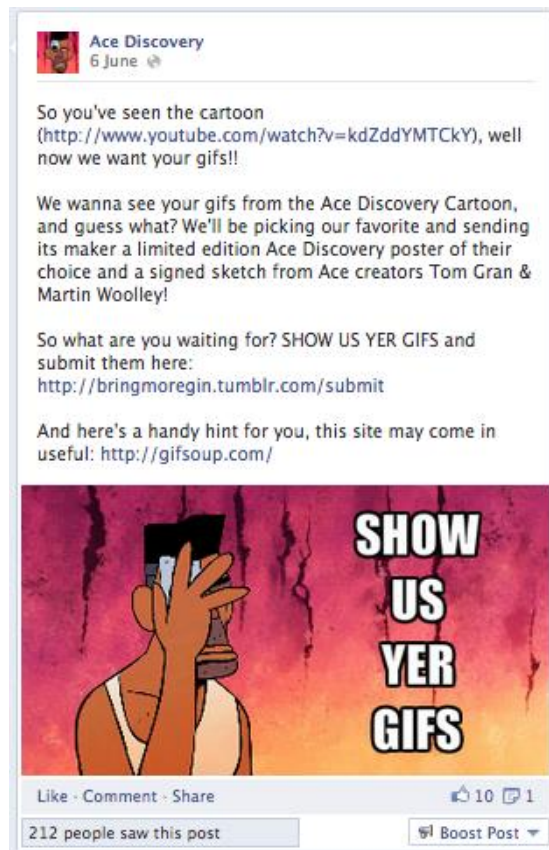


Figure 7: Ace Discovery GIF competition post.²⁰⁵

These examples highlight engagement with *Ace Discovery* may have been expected too soon. As discussed earlier, *Cartoon Hangover*'s initial audience engagement was built upon *Bravest Warriors*, thus the transitioning of audiences across to new cartoons would occur over time. Before the launch of *Ace Discovery*, engagement beyond LE should not have been expected, as there is little to motivate or influence DE. Even after the launch the development of DE may be questioned as engagement is argued not to occur from a one off encounter, but a process that evolves over time (Bowden 2009, Hollebeek 2011).

As a stand-alone short without follow up episodes opportunities for DE to develop around *Ace Discovery* are difficult. DE that may have occurred through the DEX of the original short will be short-lived as it lacks continuation beyond LE, which is insufficient in the long term. The cartoons director backs up this insight and argues there is a tendency among commissioner's to limit funding to 'one off' episodes, which hampers the ability to fully engage audiences.

²⁰⁵ Screenshot taken 13 July 2014 from <https://www.facebook.com/pages/Ace-Discovery/412903852117081>

“I don’t think our stuff is very fan-basey [...] I think it could be [...] if we ever go to take something further, like a few episodes and stuff and start building a world a lot more” (Gran 2014, Telephone Interview, Appendix I.2 Line 328-331).

From WONKY’s perspective *Ace Discovery* as a one-off ‘pilot’ creates a limitation as interests lie solely with *Ace Discovery* and the potential of a future commission. However, for Cartoon Hangover this issue can be seen as a solution. Each of the Too Cool! Cartoons provide a bridge of DEX between *Bravest Warriors* series one and series two. Therefore, the follow up for Cartoon Hangover is the next Too Cool! Cartoon (rather than the next *Ace Discovery* episode), which bridges month to month until the return of *Bravest Warriors*. Cartoon Hangover utilises these DEX cartoons alongside smaller but more frequent LEX content (e.g. behind the scenes videos, teaser trailers) to maintain the audiences engagement. The LEX help maintain the delivery of content, but reduce the demands of consistently providing DEX cartoon episodes that have a higher resource cost.

However, consistent delivery and lack of fresh DEX content can even prove difficult for Cartoon Hangover, as evidenced by some of the channels commentators. This shows even enterprises such as Cartoon Hangover have trouble meeting the insatiable demand for content upon these platforms of abundance.

“This would be great an all if only the people at Cartoon Hangover would work on producing a second episode to any of the other series they have instead of releasing 1 episode and then 4 features about it.” (TarragonSpice 2013)

Over Ambition

The promotional activity delivered around *Ace Discovery* was designed to boost audiences and make a further commission seem more attractive. Yet, beyond the funding for the initial pilot episode there was a lack of resources to maintain and further the audiences’ engagement. Particularly when the prospect of a further commission is neither guaranteed nor known in terms of a time frame. For example, the time period between an initial pilot episode of *Bravest Warriors*²⁰⁶ and its series was 36 months. This timescale is too long to sustain an audience engagement on limited resources. A better initial strategy may have been leaving the promotional

²⁰⁶ Initial pilot *Bravest Warriors* cartoon launched pilots on a previous Frederator Studios incubator series called *Random! Cartoons*

activity to Cartoon Hangover, rather than creating separate *Ace Discovery* channels, thus limiting resource demand for WONKY and maximising reach of promotional content.

Aside from *Dr Lollipop*, which already existed as a comic, none of the other Too Cool! Cartoons created separate online channels and Cartoon Hangover handled promotion. While Cartoon Hangover also handled some promotion for *Ace Discovery* this may have been subdued because of the decision to create separate channels. Figure 8 illustrates the possibility of this subdued promotion and shows a list of Frederator Studios 'Top Blogs' which appear in the sidebar on Frederator's Tumblr sites. Each of the Too Cool! Cartoons aside from *Ace Discovery* are featured in this list with the links directing to a 'sub' Tumblr for the cartoon. All of these links remain within Cartoon Hangover/Frederator branded channels, as such promoting the various channels they control. Creating separate social channels for *Ace Discovery* meant creating ones outside of the Cartoon Hangover/Frederator network of control potentially reducing the attractiveness for them to promote it.

The creation of separate *Ace Discovery* channels would have worked better if a six episodes series had been commissioned. This would mean a long-term timescale would be known to efficiently plan delivery of additional content alongside the core DEX episodes. The multiple DEX episodes would also allow the time required for engagement to develop with a full cycle of LEX/DEX/LEX between episodes. The mistake was in treating the promotion of the *Ace Discovery* as if it had already been commissioned as a series rather than as a one-off pilot.

Thus, it may be argued that WONKY were over ambitious with what could be achieved. This has ultimately led to inactivity upon the additional profiles created for *Ace Discovery* as they could not be maintained. For example the demands of maintaining Twitter profiles for the shows main characters proved unsustainable for the projects directors, as evidenced in the short-lived activity on these profiles^{207 208}
209 .

²⁰⁷ See: <https://twitter.com/bringmoregin>

²⁰⁸ See: <https://twitter.com/RipTornRobot>

²⁰⁹ See: <https://twitter.com/numba1acefan66>

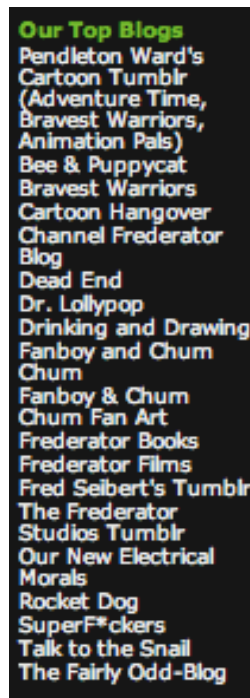


Figure 8: Cartoon Hangover Top Blogs List²¹⁰

This over ambition also stretched into the development of an *Ace Discovery* mini-game (Digital Appendix D.2; Digital Appendix D.3). This game was part of an original post-launch content delivery plan. The aims were to create a game that could be easily distributed online and provide links back to the *Ace Discovery* short and SM channels. The development of this game was being provided beyond the Frederator Studios commission and provided in the hope that the potential success of *Ace Discovery* would lead to further episodes being commissioned.

However, support for this additional content could not be fulfilled. Those working on the pilot episode, including its directors, were with WONKY on a short-term basis returning to their alternate work commitments after production ended. This included the shorts director (who was also providing the design assets for the game) whose availability subsequently became fragmented causing delays to the games production before being abandoned altogether. This commitment of 'free labour' is not uncommon across the creative industries when seeking to launch original content, and resource investment can often go unfulfilled (Animated Projects 2013).

²¹⁰ Screenshot taken 13 July 2014 from <http://www.cartoonhangover.com>

Ace Discovery Delivery

The following section discusses the launch of *Ace Discovery* on the Cartoon Hangover YouTube channel, the problems around this launch, and their relation to engagement and a comparison of *Ace Discovery* to the other Too Cool! Cartoons.

Disrupted Launch

Ace Discovery launched on 30th May 2013 on the Cartoon Hangover's uncensored channel²¹¹. The decision to launch on this channel was an alteration to what was anticipated due to changes in the expected channel demographic; *"I think before they had been aiming for a kind of a older [...] 16-25 fan base and they ended up with kind of a 10-15 fan base* (Gran 2014, Telephone Interview, Appendix I.2 Line 249-251). The decision also meant that the cartoon had a lower audience than if launched on the main channel that had a bigger subscriber base.

When launched Cartoon Hangover did also put a short 'censored' version on their main channel. The short version of the cartoon ended with the viewer given the options to continue to the full 'uncensored' cartoon (Figure 10). However, initially these links were only available as video annotations, which did not work on mobile devices causing issues and confusion for some viewers.

"I'm doing this on my hphone [sic] so at the end I couldn't click the tags he left. Is this a choose your own adventure, or was that a vote" (Canadian Bellator 2013)

Whilst this issue was rectified with links to the full 'uncensored' cartoon placed in the description, even these are not immediately visible on some mobile devices (Figure 11). These annotations therefore place a barrier to engagement that may hamper the consumption of the full cartoon. This barrier to engagement is further increased by the annotations not functioning correctly and a lack of understanding from the audience on what they meant as illustrated by the previous comment.

²¹¹ See: <https://www.youtube.com/watch?v=kdZddYMTCKY>

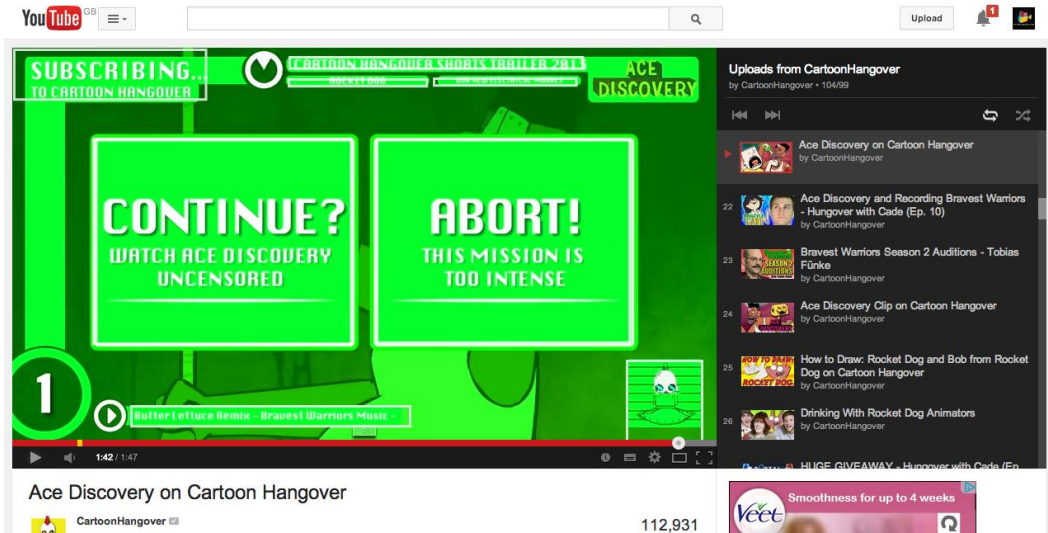


Figure 10: Annotation options on Ace Discovery Clip²¹²

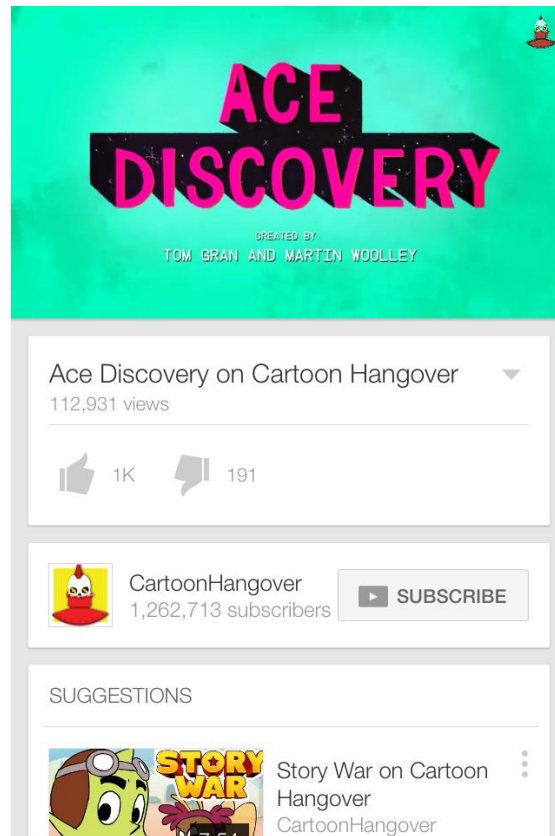


Figure 11: Ace Discovery Clip on iPhone Device²¹³

²¹² Screenshot taken 14 July 2014 from: <https://www.youtube.com/watch?v=LHfFpiDVd6E>

²¹³ Screenshot taken 14 July 2014. Full cartoon links not immediately visible without expanding description box

A full version of *Ace Discovery* was published on Cartoon Hangovers main channel on 29 August 2013²¹⁴. This was launched as a re-mastered version that addressed complaints about the sound levels in the original version, and also featured a new voice for the CrackerJack character due to contractual issues regarding the original voice artist. Again this version was censored and a re-mastered uncensored version was also placed on Cartoon Hangovers uncensored channel²¹⁵. The views attracted by the full version on the main channel illustrate the differences in subscriber bases for each channel (Figure 12).

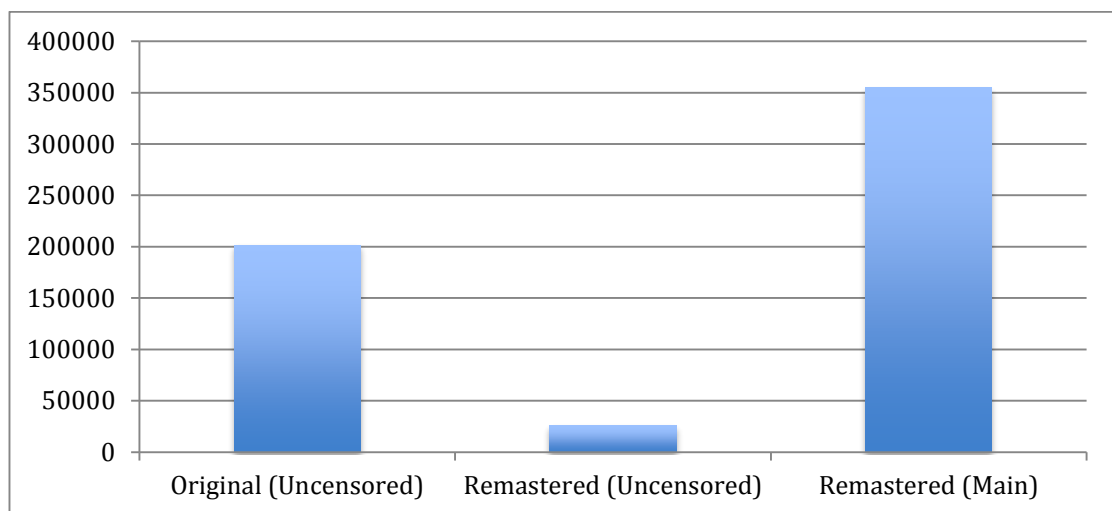


Figure 12: Ace Discovery Viewing Figures²¹⁶

Too Cool! Cartoon Comparison

Overall *Ace Discovery* has been viewed over 580,000 times, yet the disrupted launch of the cartoon and its fragmentation across channels is neither ideal nor beneficial. As previously mentioned this fragmentation caused confusion amongst the audience and it also hampered effective promotion. With the majority of the promotional activity and resources dedicated to the initial launch there was a lack of subsequent material to promote the second launch without ‘reposting’ material. This meant the second launch had less of a promotional build up.

In comparison to the other Too Cool! Cartoons (Figure 13) *Ace Discovery* has had some of the lowest views, which may be explained by its disrupted launch. Due to the different release dates of each cartoon it is difficult to make a comparison on

²¹⁴ See: https://www.youtube.com/watch?v=vz_Lar8GINg

²¹⁵ See: <https://www.youtube.com/watch?v=na4247i45WA>

²¹⁶ Data obtained from YouTube. Correct as of 10 September 2014

views alone. However, engagement behaviours (likes, dislikes, comments, shares) around each film only show small differences (Figure 14). Likes as an engagement behaviour are considered as a LEB in comparison to comments and shares, which require greater effort to complete, and this is shown by the higher percentage of views that result in such behaviour. *Ace Discovery* ranks the lowest in terms of engagement behaviours; particularly those that may further enhance the development of an audience (comments, shares). In opposition those cartoons that have generated the most views in the smallest amount of time (*Bee & PuppyCat*, *Dr Lollipop*) perform better with comments and shares. This greater engagement with *Bee & PuppyCat* is to be expected due to the creators pre-existing audiences (Figure 3) and existing engagement shown in the earlier discussion of the discourse surrounding the Too Cool! Cartoons trailer.

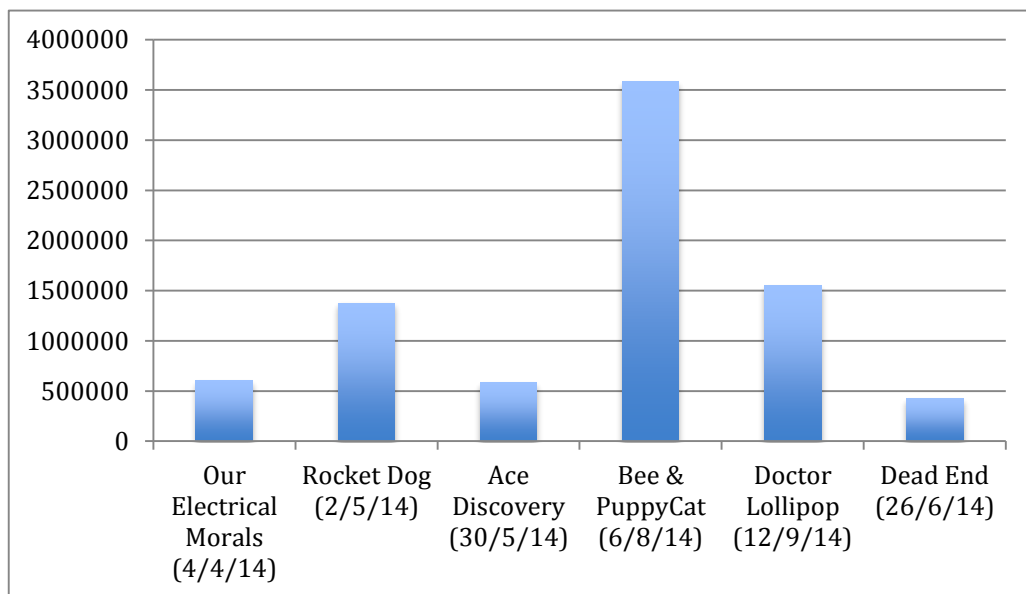


Figure 13: Too Cool! Cartoon viewing Figures²¹⁷

²¹⁷ Data obtained from YouTube. Dates indicate cartoons launch date. Correct as of 10 September 2014.

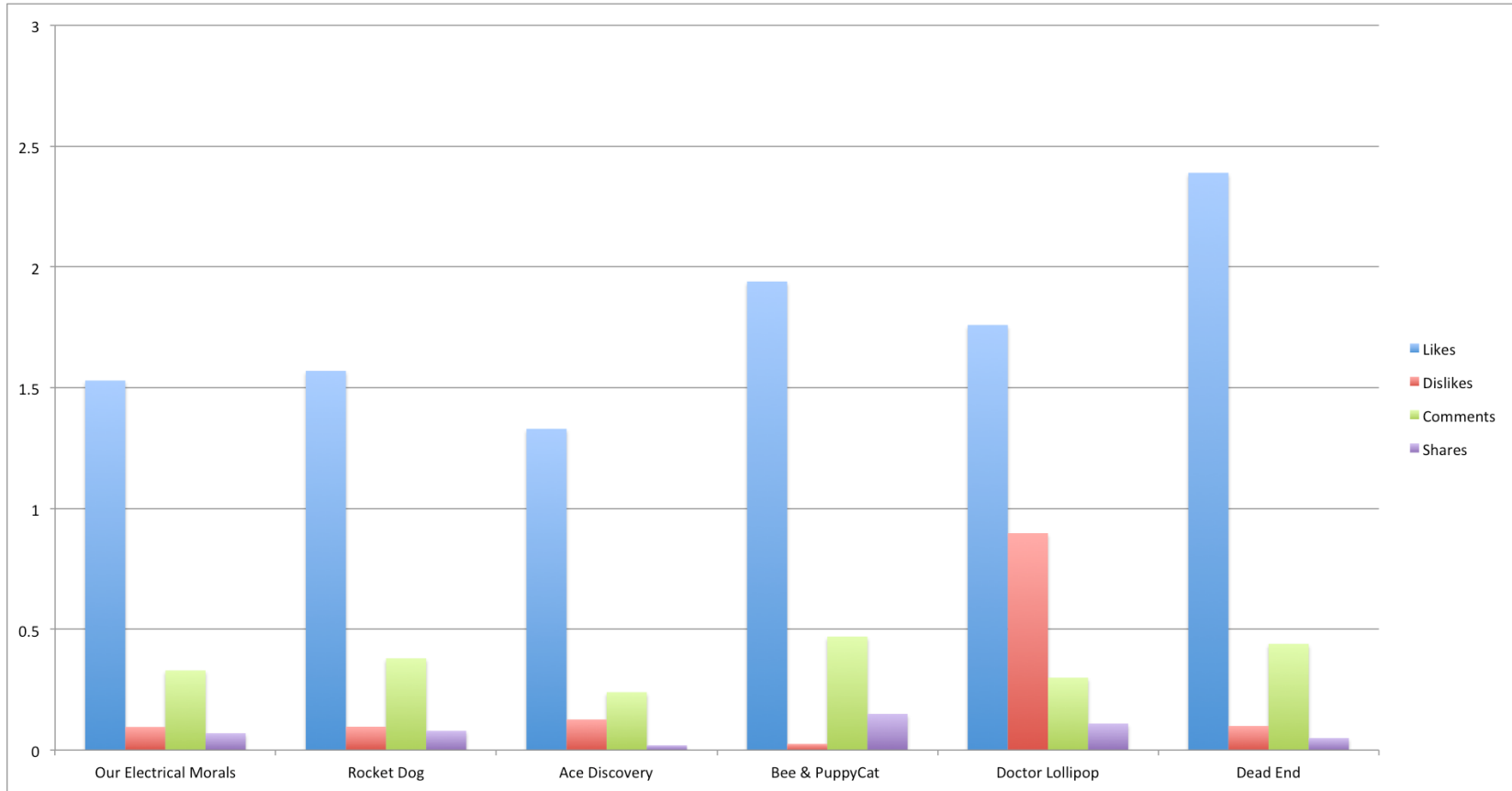


Figure 14: Too Cool! Cartoon Engagement Behaviours²¹⁸

²¹⁸ Data obtained from YouTube. Correct as of 10 September 2014. Shown as a percentage in relation to the number of views.

Ace Discovery does see improvement when comparing the engagement behaviours generated on the censored channel to the uncensored channel (Figure 15). There is an improvement across each behaviour when looking at the uncensored views alone, and *Ace Discovery* has become the most popular cartoon on the uncensored channel ahead of the channels previous main series *SuperF*ckers*. This suggests that the uncensored channel audience has a greater alignment with the humour and content of the *Ace Discovery* cartoon.

As mentioned earlier, the *Ace Discovery* director cited these audience differences as a reason why the cartoon was initially placed on uncensored channel. Thus, whilst the censored channel may generate more views the quality of views is increased when there is greater alignment with the audience. The audience differences are also suggested by some of the video commenter’s on the censored version:

“This and Super Fuckers. They just don’t quite fit with Bravest Warriors, Bee and PuppyCat, and Doctor lollypop, do they? Maybe a bit of Rocket Dog” (DJ Mouthwash 2013)

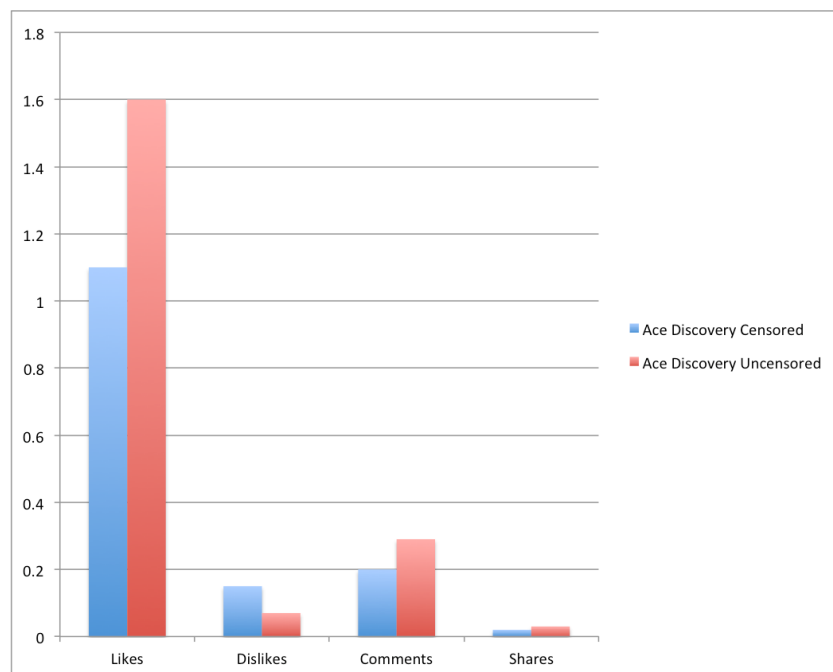


Figure 44: Ace Discovery Engagement Behaviours Channel Comparison Chart²¹⁹

Hidden From View

²¹⁹ Data obtained from YouTube. Correct as of 10 September 2014. Shown as a percentage in relation to views

With the exposure given by Cartoon Hangover's existing audience *Ace Discovery* has generated more views than any previous original content produced by WONKY. This emphasizes the competitive advantage larger enterprises have within digital environments to attract audience attention.

However, despite the large audience numbers there is little evidence to suggest that the audience has transitioned from Cartoon Hangover onto WONKY. In much of the promotional material shared about *Ace Discover* WONKY become the third identity, behind Cartoon Hangover and the shows co-directors Tom Gran and Martin Woolley, who work together under the creative identity 'Spin Kick Bros'.

In press articles about the cartoon attention is focused on the Spin Kick Bros as the writing and directing duo behind the short and WONKY, as the cartoons production company, become side-lined or omitted altogether (Raymundo 2013; Page 2013; Blabber 2013; Riley 2013; Hadley 2013; Torres 2013). This is the same for promotional material posted by Cartoon Hangover^{220 221 222} and in the videos YouTube description full credit details are not immediately visible. As a result WONKY are left in the shadows of the larger enterprise where the majority of the audience engagement remains focused.

Despite the lack of audience transitioning for WONKY there have been benefits for the Spin Kick Bros. Co-director Tom Gran cites that the attention generated from the cartoon has enabled them to gain future commissions and provided additional attention that has proved useful;

"I think we just got a lot more kind of people paying attention I guess, which is always useful [...] And we are just about to start doing another, doing another series thing with Mondo [...] Which I think we kind of got through that." (Gran 2014, Telephone Interview, Appendix I.2 Line 315-322).

Thus, while the audience transitioning does exist, it is more difficult the further the creative identity is down the line of focus. In terms of *Ace Discovery* WONKY tends to come third behind Cartoon Hangover and the Spin Kick Bros.

²²⁰ See: http://advancedsearch.in/search/397260890300309/Cartoon-Hangover/created_time/Ace%20Discovery

²²¹ See: <http://hangover.cartoonhangover.com/tagged/Ace+Discovery>

²²² See: <https://twitter.com/search?f=realtime&q=Ace%20Discovery%20from%3ACartoonHangover&src=typd>

Crowdfunding

Before concluding, this discussion briefly turns to a crowdfunding campaign undertaken by Cartoon Hangover for the Too Cool! Cartoon *Bee & PuppyCat*. This discussion provides further evidence on the crowdfunding approach and adds to the insight presented in Portfolio A (p218) and Portfolio F (p360).

After the success of the *Bee & PuppyCat* cartoon, Cartoon Hangover launched a Kickstarter campaign to fund the production of series²²³. The campaign surpassed its \$600,000 target goal raising a total of \$872,133. Its success was unsurprising as the campaign met many of the criteria identified as important for crowdfunding success in Portfolio F (p360), including an existing content precedence, a large audience network, and resources to manage a campaign.

The *Bee & PuppyCat* Kickstarter project offers evidence to support the benefits of DE and the WTP it can create in worlds of abundance and free alternatives. As discussed earlier, the Cartoon Hangover audience expressed an existing engagement and anticipation for the *Bee & PuppyCat* cartoons through the comment discourse on the Too Cool! Cartoons trailer. This engagement was further enhanced by the initial episode of the cartoon that provides a DEX for the audience. By launching the Kickstarter campaign in the aftermath of this first episode, when engagement is heightened by DEX, Cartoon Hangover is able motivate the crowdfunding DEB.

Yet, the *Bee & PuppyCat* campaign also emphasises the struggles SMEs face in competition against larger enterprises. With crowdfunding success tied to factors such as audience size and content precedence, small studios and individual creatives are often limited to smaller financial goals. A crowdfunding campaign to scale of *Bee & PuppyCat's* is out of the scope of many SMEs, who may instead be limited to goals that struggle to fully compensate the costs of production. As such it may be argued that crowdfunding only offers a tool for SMEs to continue to struggle to make original content. For example, they must still invest resources and energy beyond the financial returns of the crowdfunding campaign including the energy required to run the crowdfunding campaign in the first place. Thus, presenting rich-get-richer dynamics occurring in crowdfunding.

²²³ See: <https://www.kickstarter.com/projects/frederator/bee-and-puppycat-the-series>

Larger enterprises not only have the resources to achieve higher targets, but also are also better positioned to receive future benefits. For example, the future YouTube release of the *Bee & PuppyCat* series will enable further revenue to be derived from advertising, as well as downstream retail markets (e.g. t-shirts merchandising). Thus, further widening the gap between smaller studios and larger enterprises.

A recent crowdfunding campaign for the popular YouTube animation *Simon's Cat* further illustrates this gap. The *Simon's Cat* campaign had a target goal of £275,850 for an 11-minute colour version of the short²²⁴. In comparison, a campaign for an animated short of similar length by director Nate Milton was produced through a campaign seeking £3,000²²⁵. This illustrates the difference of what is attainable between established and unknown identities and the premiums they may command for their content. The adoption of crowdfunding by established, or 'celebrity' identities, also increases the need for the factors outlined in Portfolio F (p360) (e.g. existing audience, existing content precedence). As more people seek to make use of crowdfunding the greater the need becomes to stand out, and thus a greater need to establish the factors that drive success.

Conclusions

The experience of the *Ace Discovery* project provides evidence of the issues that are highlighted throughout this research. Firstly, there is evidence of the disparities between the larger enterprises and smaller studios in digital environments. With greater resources Cartoon Hangover has been able to build an audience upon a highly competitive and volatile platform. Without the additional support provided by the Cartoon Hangover *Ace Discovery* is unlikely to have been made (Gran 2014. Telephone Interview, Appendix I.2 Line 187-191), or gained the audience it did. Greater resources and an established audience places Cartoon Hangover in a position that allows them to shoulder the risks of production and provide a platform for smaller creatives to launch a project.

Secondly, issues in dealing with engagement and audience demand in digital environments are again found, and are also shown to cause problems for larger

²²⁴ See: <https://www.indiegogo.com/projects/simon-s-cat-in-off-to-the-vet>

²²⁵ See: <https://www.kickstarter.com/projects/404979536/tank-an-animated-short-film>

enterprises, like *Cartoon Hangover*. Yet, these issues are still more problematic for SMEs, which leads them to seek the resource aid that commissioning partnerships provide. The need to enter into these partnerships however often requires the smaller enterprise to give up the majority rights for what may be no guaranteed long-term gain. Also, with the larger enterprise shouldering risk their identity becomes the primary focus of the audience's engagement and the benefits this provides.

Thirdly, evidence of LEX/DEX cycles of content delivery and how this may affect LE/DE and LEB/DEB are provided. The promotion of *Ace Discovery* indicates how a lack of engagement can lead to a lack of motivation to perform DEBs. While in comparison discussion of *Cartoon Hangover* shows how LEX/DEX cycles can be used to maintain engagement and receive engagement benefits (e.g. fan art, crowdfunding contributions).

Fourthly, this portfolio adds to evidence on crowdfunding, demonstrating the need for the factors identified in Portfolio F (p360) and also showing how large enterprises are better positioned to gain benefits from approaches like crowdfunding. This then leads to rich-get-richer scenarios that are likely to worsen as these environments become more crowded.

Finally, the abandonment of the planned *Ace Discovery* mini-game highlights the dangers of being over ambitious. It also raises issues of working with creatives on a freelance basis where commitment can only be retained short-term. Once this commitment is over, dedication and ability to commit resources becomes vulnerable.

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E. Show Me The Animation

Overview

Show Me The Animation (*SMTA*) is an animation website that started prior to this research as a bi-monthly animation screening night for the local community. Practical and research work with *SMTA* sought to build upon these screening nights and transition them into digital environments.

The project has been carried out through the development of a *SMTA* website, SM platforms, an iOS App project, and the expansion and enhancement of the live events offered by *SMTA*. As opposed to work on more WONKY centric projects where content is *created*, the development of *SMTA* has been developed by a *curation* approach to content delivery. *SMTA* is also informed by the understanding of engagement, and notions of DE/LE initially established in the review of the *LYHO* project (Digital Appendix A.2). The *SMTA* project thus offers a comparison of developing engagement through *curation* and *creation*, and also adds to the understanding of engagement and the notions of LE/DE, DEX/LEX, and DEB/LEB. Experiences with methods of monetisation within the project also offer insight into difficulties of generating viable revenue in digital environments. A timeline of project activities is presented in Figure 1.

The remainder of this Portfolio is structured as follows. Firstly, a discussion of the online development of *SMTA* is presented. This section focuses on the *SMTA* website and social platforms, and discusses the curation approach, engagement, SM, and monetisation. Secondly, the *SMTA* App project developed towards the end of this research is discussed, offering an analysis of the App development and again referring to engagement and monetisation. A digital development document is provided in Digital Appendix E and provides an analysis of technical and design development of *SMTA*.

	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12
Online	Development starts on SMTA website				SMTA website & social platforms launched						AniJam Films & Vote Added to Site	Write For Us Applications Added
Events			Rushes Soho Shorts Screening Night			Encounters Nominated Shorts Screening Night & Grant Orchard Q.A		New Talent Screening Night			AniJam 2012 held at Encounters Film Festival	Best of the West Screening & AniJam Winner Announced
	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13
Online			Pick of the Month Added Site design edits to make search and sharing easier	Member Directory Added to Site		MeBooks Undiscovered Contest Launched					AniJam Films & Vote Added to Site	Member Directory removed from site
Events	Animation Battle Royale with London Animation Club	National BBC Big Screens Screening Animation Night with The Brothers McCleod		Entering the Industry Talk hosted at Animated Exeter		Animation Night with Peter Lord		AniJam without Encounters rescheduled			Bristol Festival of Puppetry Screening AniJam 2013 held at Encounters Film Festival	
	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14
Online	Buy Us A Coffee' Monetisation Added	Development starts on SMTA App	Do it in Ten Challenge launched Google AdSense Ads implemented	Talk hosted at Animated Exeter				SMTA App Launched				
Events	Animation Night with Darren Wash & AniJam Winner Announced			The Sarah & Duch Story hosted at Animated Exeter	An Evening with WildSeed Studios	Short Film Screening Night			Dragons Den event in partnership with AnimateProjects		Solar Cinema Screening Event	ShortCom Screening Night

Figure 1: Show Me The Animation Project Timeline

Online Development

“An online community that offers content focused on the audiences primary interest is the hook that attracts avid information gatherers” (Andrews 2002, p65)

This is what *SMTA* online platforms are designed to provide. Matching the ethos of the original *SMTA* screening nights the online platforms are designed to meet the needs of a niche animation community, and establish a destination where the audience is able to discover content and interact based upon their shared interests (Cova and Pace 2006).

As established through the analysis of the *LYHO* project (Portfolio A, p218) the biggest challenge of building audiences is consistently creating content that engages the consumer. This can be difficult in digital environments where the consumer has an abundance of choice and attention becomes fragmented across multiple sources (Keen 2007). This means digital consumers desire content on demand (Harden and Hayman 2009) and are quick to seek alternatives if their needs are not met (Calder and Malthouse 2008).

As seen in the other practical projects the resource limitations facing creative SMEs means meeting these audience demands can be difficult. Without content to consume the attention required to motivate the process of engagement ceases to exist, therefore *SMTA* is led by curation approach to content delivery.

Curation

Alone *SMTA* lacks the resources to produce its own original content to the levels of frequency and quality required to maintain engagement. Thus, by becoming a curator *SMTA* can sufficiently deliver the required content. The resource demands for content curation are much lower than those required for content creation (Fern 2012), making it easier to deliver and maintain a pattern and consistency for audience consumption. As opposed to original content creation, which can take months if not years to develop, the curation of content can be fulfilled daily and create a pattern of consistency that can be maintained throughout the week. The consistency that curation enables helps build trust with the consumer and provides a reason to return as site content is kept fresh (Scime 2009; Fern 2012).

Curation also builds trust in other ways. Firstly, the curator can become known as an expert in the field (Scime 2009; Fern 2012) and recognised as a valuable source of information. Secondly curation enables *SMTA* to gain the attention of the third party source and initiate new relationships (Fern 2012). For example by linking to creators whose content is shared (e.g. by tagging them in SM posts) *SMTA* is able to gain their attention and form a relationship. This then increases the potential reach for *SMTA* content as third-party creators often share the linked content within their own circles.

For the consumer curated platforms can act as a guide. The wealth of content available means there is a need for gatekeepers who highlight quality that may otherwise become lost amongst the abundance of mediocre creations. Curated platforms thus offer a *“huge value-add in a world where unfiltered signal overwhelms noise by an ever increasing factor”* (Rosenbaum 2010).

The process of curation on *SMTA* is undertaken through a process of self-sourcing content as well as reviewing user-submitted content. The user submissions open a two-way curation process where the *SMTA* audience is able to share their own work. This two-way curation has two benefits. Firstly, it aids the process of finding and selecting relevant site content, thus reducing the time and knowledge resources required. Secondly, it enables the audience to meet gratification needs such as recognition (e.g. establish expertise) and social (e.g. connect with others), which are identified as important motivators for UGC (Shao 2009; Leung 2010). Therefore, the two-way curation process can aid in the development of audience engagement.

However enabling users submissions also comes with risks due to a need to maintain quality so trust in the content delivered by *SMTA* can develop. For this reason the majority of submissions to the *SMTA* website do not get published. If every submission were published then *SMTA* would risk breaking bonds of trust due to content delivered being inconsistent with the values of quality. As argued by Scime (2009, p3) *“mass quantity does not equal quality”*. Yet, at the same time not selecting content risks damaging relationships with those whose content is not selected. Thus there is a constant balancing act and decisions to be made between maintaining the site values and needs of the broader audience with those submitting content to the site.

Throughout *SMTA*'s development there has been a mixed balance between the need to self-source curated content and being able to utilise user submissions. During the first year self-sourcing content was common due to a need to establish an initial audience, build engagement, and demonstrate the value of *SMTA*. After this initial period user-submissions became more common, the *Student Showcase*²²⁶ now has a waiting list of submissions, while the *Pick of the Day*²²⁷ also receives regular submissions, although still requires self-sourcing to maintain quality values.

This demonstrates the need for an initial outlay of resources to encourage audience participation. Too much should not be expected of the audience too soon, as without obvious tools to participate and clear value signals the value of participation becomes hard to decipher (Rashid et al. 2006). Thus, the initial investment in self-sourcing content aids initial audience development and demonstrates how content is utilised by the site. This then becomes the value indicator to users who see how having their content-featured may obtain value.

For those whose content is selected *SMTA* offers a platform of exposure, which, like other curated platforms, can offer a much larger audience than many individual creatives or SMEs can achieve alone;

“when you uploaded it to Show Me The Animation we could see [...] the progress, because I think its very important that you get your work not just on your Vimeo account [...], but have it on animation platforms, or you know blogs, blogs that has [...] large amount of people following it”. (MA 2014, Videophone Interview, Appendix 1.9, Line 170-175)

Curated platforms can thus be relied upon for exposure. However, for the creator this only provides a short-term boost in attention, which soon tails off as curators push new content audiences. Curators however, by utilising the breadth of content produced by the creative efforts of the community, can maintain this attention long-term. Thus, while creators have small windows of opportunity to attain benefits of exposure due to the time it takes to *create* content, curators benefit due to the reduced resource demands offered by the *curated* approach to content delivery. The consistent delivery that can be achieved through curation means audiences can be

²²⁶ Weekly showcase of student films from national and international universities

²²⁷ Selection of animated short films and music videos that appear online, published 2-3 times weekly

developed with greater ease and these audiences become valued by creators in their efforts to attain exposure.

By utilising a curation approach the engagement achieved through *SMTA* has been greater than that of *WONKY* under a creation approach. This is seen with larger audiences created for *SMTA* platforms (Figure 2) and higher engagement in terms of audience participation in calls UGC challenges. While calls for UGC under *WONKY* have been largely unsuccessful (e.g. LYHO submit a joke - Portfolio A, p228; Ace Discovery costume and GIF contests – Portfolio D, p292), calls by *SMTA* have performed better as will be discussed later in relation to the AniJam and Do It In Ten Challenges.

The ability to build and maintain content delivery that keeps audiences engaged means that curators are better positioned to obtain rewards from the exposure of creative works that the creators themselves. For instance, the larger audiences that can be developed means they are better positioned to attract advertising revenue and monetise the audiences they create. In the case of *WONKY* no revenue has been directly obtained from the original content *created* during this research. In opposition, *SMTA* has been able to generate some revenue (although small) through the *curation* approach. Thus, it may be argued that value does not lie in *creation*, but the *curation* of content, and those who retain access to the audience are better positioned to benefit from digital environments than those who create the content that engages that audience.

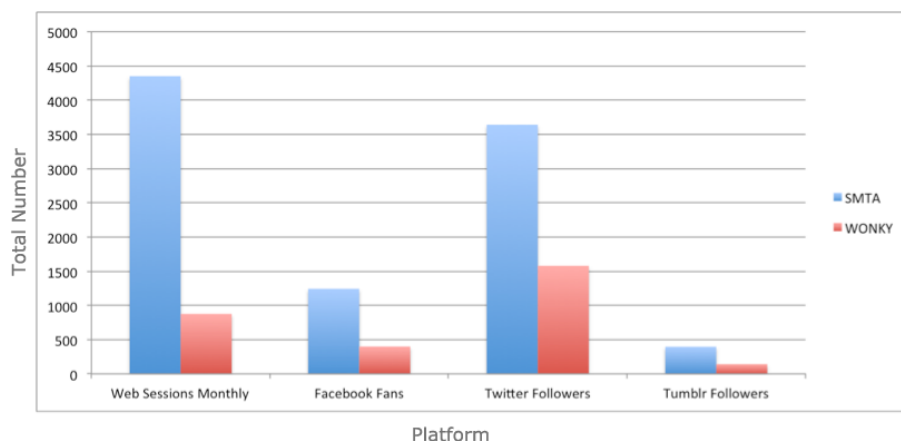


Figure 2: SMTA vs. WONKY Audience Comparison²²⁸

²²⁸ Data obtained from Google Analytics, Facebook, Twitter and Tumblr. Correct as of 27 August 2014. Web sessions data for 1 month 26 July – 27 August 2014.

Engagement

Content delivery

The delivery of content on *SMTA* seeks to balance LEX and DEX to build and maintain engagement with the *SMTA* platforms. It has been proposed in this research that the time between updates can influence the levels of engagement needed to maintain audience interest. More involved DEX can produce greater value for the audience and create sustaining value for longer periods of time. However, the higher barriers to entry and levels of involvement means DEX can be difficult to regularly consume, whilst also being more resource demanding to produce. In opposition, less involved LEX have lower barriers to entry and levels of involvement for consumption, thus can be consumed more easily. Yet, the reduced value provided means they must be delivered with greater frequency to maintain engagement. Thus content on *SMTA* aims for patterns of LEX ‘snacks’ and DEX ‘meals’.

The primary source of content on *SMTA* is the *Pick of the Day* that occurs 2-3 times a week. The other regular feature is a weekly *Student Showcase* delivered each Thursday. The reason for delivering the *Student Showcase* on the same day each week, and the continued delivery on the *Pick of the Day* feature, is to develop a regular content schedule and encourage repeat engagement (YouTube 2013). These content features are balanced against each other with the *Student Showcase* going into greater depth about the film and its creator. The *Pick of the Day* feature in comparison is much shorter with a brief commentary added to the films synopsis, thus designed to provide snack like content that can be consumed quickly (Shao 2009).

However while only adding a light commentary to the films featured in the *Pick of the Day*, the films themselves may be argued to be DEX with some films being over 5 minutes in length, thus presenting a substantial consumption commitment. It is argued that shorter content works better in an online environment (Miller 2007, Shao 2009, Allen 2013, Guo 2013), thus for some the length of these short films may present a barrier to consumption. This is illustrated by the average engagement with some of the longer *Pick of the Day* films being lower than the films actual length (Figure 3). This may suggest that the frequency of the *Pick of the Day* could be reduced so as to not overwhelm the consumer. A *Pick of the Week* feature may be a

more efficient approach, which would have a number of benefits. Firstly, reducing the time required to maintain the *SMTA* website. Secondly, reducing the consumption demands on the consumer and potentially increasing overall engagement. Finally, it would increase the ability to maintain quality values of the curation approach due to the reduced frequency of delivery.

Alongside the *Pick of the Day* and *Student Showcase*, *SMTA* also publishes featured article primarily in the form of interviews with independent film directors, which adds to the more in depth content to supplement the regular *Pick of the Day*. Finally, news and events articles are published about latest animation events, films and awards, providing relevant information of interest to the community.

Together the content is designed to be a rounded consumption experience. The depth of articles is varied so as to neither overload nor bore the audience, with consistency maintained so as to encourage continued site activity. The content also aligns with a number of gratification needs that are identified as reasons for internet use (Papacharissi and Rubin 2000), such as information seeking (news and events articles), entertainment and pass time (*Pick of the Day*), and convenience (curated approach).

Film	Film Length	Avg. Time on Page
<i>Risehigh</i>	18:44 min	1:46 min
<i>Junkyard</i>	17:51 min	6:22 min
<i>Edmond was a Donkey</i>	15:19 min	1:05 min
<i>Fake Expectations</i>	11:24 min	2:09 min
<i>Retrograde</i>	11:03 min	2:59 min
<i>23 Degrees 5 Minutes</i>	10:31 min	1:44 min
<i>Caveirao</i>	10:06 min	8:23 min
<i>Ladies Knight</i>	9:16 min	4:52 min
<i>Yellow Sticky Notes</i>	7:43 min	4:38 min
<i>Pluto and the Vessel</i>	7:34 min	2:14 min

Figure 3: Pick of the Day film length vs. avg. time on page²²⁹

²²⁹ Data obtained from Google Analytics. Correct as of 27 August 2014.

Differentiating SMTA

However, alone these content items do little to differentiate *SMTA* from other competing online animation platforms (e.g. Skwigly²³⁰ or Cartoon Brew²³¹). The original face-to-face screening night aspect of *SMTA* in part helps differentiate the community against these competing sites. These events may be viewed as event marketing, which has been identified as an approach for developing competitive advantage and increasing engagement (Whelan and Wohlfeil 2006).

The notion behind event marketing is that it produces experiences that consumers can actively become part of. This active participation enables the consumer to obtain greater value and emotional bonds that passive consumption cannot match. Prahalad and Ramaswamy (2004) argue value is created by experiences rather than the production of goods, while Pine and Gilmore (1998, p97) also argue that consumers “*unquestionably desire experiences*” and that experiences can create long-term value attachment through the creation of memorable encounters.

Whelan and Wohlfeil (2006) introduce four defining features of event-marketing. First *Experience Orientation*, in which the consumer becomes an active participant rather than a passive consumer. Second *Self-initiation*, as the brand is in full-control of the experiences and directing the consumer’s emotional responses. Third *Interactivity*, in the sense that event-marketing provides a space for interactive communication between participants, spectators and the brand themselves. Finally, *dramaturgy*, which refers to the theatricality of the experience that brings the consumer into a unique experience differentiated from their everyday lives.

These four aspects align with the literature on engagement that defines engagement as an active process (Calder and Malthouse 2008) built from affective emotional responses (Marci 2006; Bowden 2008; van Doorn et al. 2010), which occur during social interactive relationships (Rappaport 2007) and at times create experiences that remove us from the routine of everyday life (Csikszentmihalyi 1994; 1998). Thus, event-marketing can be seen as a practice for developing and increasing audience engagement.

²³⁰ See: <http://www.skwigly.com>

²³¹ See: <http://www.cartoonbrew.com>

The *SMTA* events contain the potential for DEX; providing a richer environment for consumption (hosted in a cinema), which enhances the social element (face-to-face aspect) and allows the audience to become an active participant (screening opportunity, social interaction). These events were also developed from the standard screening nights offered at the start of the project to include talks from prominent figures in the industry (e.g. Peter Lord, Aardman Animation, The Brothers McLeod). These changes adapt the events to include information seeking gratifications alongside social and entertainment of the standard screening nights.

More recent events have also included an evening with Wildseed Studios who were seeking to fund new animation projects, and also a ‘Dragons Den’ style event that provided a platform for animators to gain feedback and critique on projects in production²³². These events further the gratifications that can be obtained from *SMTA*, addressing recognition (establish expertise, self actualisation) and again information seeking gratifications. These events also address calls for support within the animation industry by providing animators with opportunities that may provide long-term benefit (e.g. access to funding).

AniJams

The offline aspect of *SMTA* also provided the foundation to create collaborative UGC projects and further differentiate *SMTA* through event-marketing opportunities. These collaborative UGC projects were first introduced in the form of the *AniJam*²³³, a creative challenge that tasks participants with creating an animated short film around a specific theme in 48 hours. Two *AniJam* events have been hosted by *SMTA* in partnership with Encounters Short Film and Animation Festival in 2012 and 2013.

The original aims of the *AniJam* event were to increase awareness and engagement with *SMTA*, and also engage participants in the co-creation of original content that could be utilised by *SMTA*. The results of participant feedback (Appendix 1) and the analysis of the statistics from the *SMTA* online platforms indicate these aims were met.

The participant feedback was obtained during the first *AniJam* held in September 2012, with participants given a survey questionnaire before and after the event.

²³² A full list of previously hosted events can be found at: <http://showmetheanimation.com/smta-events/>

²³³ See: <http://www.anijam.co.uk>

These were distributed and completed at the event venue and a total of 11 completed surveys were collected from 16 participants involved. While the amount of respondents is limited this is unavoidable due to capacity restrictions on the number of participants who could take part. Also, despite the low sample size of the surveys, when considered alongside increases in online activity during the *AniJam* events, there is still evidence of positive effects occurring as a result of the event as discussed next.

Increasing Engagement

Within the survey there were questions²³⁴ that sought to gauge the participants engagement with SMTA both before and after the *AniJam*. By comparing pre and post event answers positive increases are found, with participants all indicating an increased likelihood of future engagement with SMTA based on involvement in the *AniJam*. As well as increased engagement among participants increases were seen within the wider SMTA audience. Over the course of the 2012 *AniJam* there were increases for all of SMTA main online platforms (Figure 4). Similar increases were seen during the 2013 *AniJam*, for example the week after the *AniJam* films were added to the SMTA website there was a 96.63% increase in web sessions²³⁵. Overall the pages relating to the *AniJam* events are among the most viewed on the SMTA website and AniJam related content has received the highest engagement on SM.²³⁶

Metric	Increase
Web Traffic	+ 76.4%
Web Session Length	+ 82.4%
Web Pages Per Session	+ 46.4%
Facebook Fans	+ 30.8%
Twitter Followers	+62.2%
Mailing list subscribers	+52.9%

Figure 4: SMTA Online platform Increase during AniJam Activity²³⁷

²³⁴ Appendix 1 Question 2, 3, 9 and 10

²³⁵ Data obtained from Google Analytics. Comparison looked at site sessions on 17/09/14 – 23/09/14 prior to the AniJam films being uploaded, and 24/09/14 – 30/09/14 after the AniJam films had been uploaded

²³⁶ Data available from Facebook Insights and Buffer Analytics. Correct as of 1 September 2014

²³⁷ Data obtained from Google Analytics, MailChimp, Facebook Insights and Social Bro. Based on the main period of the 2012 AniJam activity from 20 August 2012 when event was announce until 7 November 2012 a week after the winning film was announced.

Importance of Partnerships

These increases were aided by the partnership with Encounters Film Festival. Such partnerships can help increase awareness and credibility of the smaller entity through the established parties existing bonds of trust with their audience. Within the participant feedback only one of the 11 surveyed participants had heard about the AniJam from *SMTA* sources²³⁸, with many indicating Encounters as their source of discovery. Thus indicating the need for the additional audience network provided by Encounters in publicising the event.

The importance of this partnership was further emphasised when prior to the 2013 *AniJam* an attempt was made to organize event earlier in the year. However, a lack of participants resulted in this event being cancelled. This emphasises the additional attention and credibility that the Encounters partnership provides, bringing with it an established and trusting audience network to further enhance the *SMTA* audience base.

It is also worth noting that during the *AniJam* period Encounters referred the highest quality traffic²³⁹. This suggests that it is not just about creating partnerships, but creating partnerships with the right people (Prince and Davies 2002). The *SMTA* partnership with Encounters is complimentary with each audience aligning with the other. Thus, creating a certain level of engagement from the outset, as the messages are compatible with each audience.

Prolonging Activity

Increases in engagement with the *SMTA* platforms during the *AniJam* were aided by prolonging activity. After the *AniJam* each film was posted online with a voting system that enabled the audience to select their favourite film during a month long voting process²⁴⁰. The voting element provided added value by incorporating a competitive element that gave participants a greater incentive to guide people towards the site and watch the film. Without the added voting value participants may have been more inclined to direct their networks to their own online websites where they could also post their films. Thus, the voting system enabled *SMTA* to repackage the films with added value and drive engagement with the *SMTA* site.

²³⁸ Appendix 1 Question 4

²³⁹ 76.01% and 52.41%²³⁹ higher than average increases for page views per session and session length respectively

²⁴⁰ Winner decided by Audience Vote and 2 Additional Judges

An email capture system around this voting system also enabled this engagement to be retained. There was a danger that placing this barrier to entry in front of the voting system may have caused users to disengage from the process and analytics indicate that 62.8% of unique visits did not result in a vote²⁴¹. However, nearly 40% of those visiting the page did proceed past this barrier with 10%²⁴² opting into the *SMTA* mailing list. Therefore, whilst the majority of visitors disengaged due to the email barrier, greater value is received from those who chose to proceed.

The likelihood is that those who disengaged were one-time visitors, referred by friends to the voting page and had little intention of a continued engagement. Therefore, their long-term value to *SMTA* is minimal. On the other hand, those who have opted into the mailing list have committed to a continued engagement with *SMTA* thus offering greater long-term value.

Motivations for Participation

To judge the motivations for taking part in the *AniJam* event participants were asked to rate a series of reasons for participating based on a 5-point likert scale²⁴³. These questions were linked to cognitive, social, recognition and entertainment motivations, similar to studies by Shao (2009) and Leung (2010). Motivations that stood out were those that align with ‘flow’ type experiences. Flow as Csikszentmihalyi (1998) presents it constitutes challenging experiences that can enhance an individual’s wellbeing and opportunities to better ones-self. This aligns with the motivations indicated by the participants with “*To challenge myself*” and “*Further my Creative Skills*” amongst the top two motivations for participating.

One surprising indication from the motivations was that participation “*Just for Fun*” was higher than “*Screening Opportunity At Encounters*”. This suggests the audience are seeking these opportunities for creative enjoyment rather than as a way to establish expertise. The motivation “*Screening Opportunity At Encounters*” can also be seen as an extrinsic motivator for participation, whilst the ones that receive greatest agreement can be seen as intrinsic motivators.

²⁴¹ Data obtained from Google Analytics. Calculated by comparing number of unique visits with number of votes and email opt-ins. 1,223 unique visits, 462 votes and 124 email opt ins.

²⁴² Data obtained from Google Analytics.

²⁴³ Appendix 1 Question 7

The influence of intrinsic motivation indicates the presence of DE motivating participation in the *AniJam* event. DE is necessary as the *AniJam* event can be considered a DEB activity; the time and effort involved in participation increases the barriers to entry. However, it would be wrong to suggest that this DE is present with *SMTA*, due to a lack of pre-existing engagement indicated by participants²⁴⁴. Thus, it may be suggested that the engagement exists with the medium of animation itself, and through the *AniJam* events *SMTA* is able to access this engagement and create DEX that have a mutual benefit to each party.

Do It In Ten

While the *SMTA* events and *AniJam* discussed so far offer DEX that enhances engagement and differentiates the content offered by *SMTA*, the offline aspect limits participation due to geographic bounds. They are also limited by the frequency in which they are run due to the increased resource effort involved in their production. Thus, based on the successes of the *AniJam* a similar creative challenge was introduced, but administered online to increase audience reach and frequency of delivery.

Since January 2014 a creative challenge titled *Do It In Ten* has been organised on *SMTA*, which challenges participants to create animations based around a specific theme with a 10 second time limit. The challenge is run monthly with a new theme announced each month. Since January 2014 nine challenges have been run with a total of 59 entries submitted²⁴⁵. Again the aims of the challenge were to increase engagement and open opportunities for UGC creation that could be utilised as a unique content offering delivered by *SMTA*.

Do It In Ten is designed to replicate aspects of the *AniJam* event and provide opportunities for the participant to access key motivations identified in the *AniJam* event, particularly challenge, which is regarded as an important method in creating engagement (Kahn 1990; Guthrie and Cox; Roberts and Davenport 2002). *Do It In Ten* aims to balance these levels of challenge and barriers to entry so as to increase potential participation. The 48-hour time commitment and geographic limits of the *AniJam* create restrictive barriers to entry. In comparison, *Do It In Ten* has a month long period in which entries can be submitted and a 10-second time limit to reduce

²⁴⁴ Appendix 1 Question 1-3

²⁴⁵ Correct as of 23 September 2014

the participation resources. Challenge is however still drawn from the 10-second time limit, as it causes participants to think carefully about what can be produced within the limitations. Each month's theme also challenges the participants' creativity as they attempt to respond in a unique and appealing way.

A competitive element in which a monthly winner is selected from the entrants, who then become eligible for the Best of the Year prize, also increases challenge. Participants are incentivised to share their work through this competitive element with an audience voting mechanism used to enable users to rate entries. Thus increasing the participant's engagement with the challenge and the engagement of the wider audience.

Analytics from the website and feedback from participant questionnaires again show similar positive indicators resulting from *Do It In Ten* as the *AniJam*. Each *Do It In Ten* participant was provided with a follow up survey questionnaire (Appendix 2) via email after his or her participation in the challenge. These were given to 32 participants who entered *Do It In Ten* before September 2014, with 15 returning a completed survey (1 reminder email was sent to increase response rate). Again, the total responses are low and limited by number of participants taking part in the challenge. Yet, taken alongside the positive web analytical data and the results from the *AniJam*, these creative challenges shown how UGC DEX can be utilised to enhance engagement.

Web analytical data²⁴⁶ shows *Do It In Ten* is a key driver of engagement with the *SMTA* site. Pages relating to the *Do It In Ten* feature 7 times in the top 20 site pages in 2014. This is again enhanced by the prolonging of activity where engagement to each challenge can be driven for the entire month and engagement to the challenge in general driven throughout the year. These positive increases are illustrated in Figure 4 that compares web data from the first two months after *Do It In Ten* began with the two months before.

²⁴⁶ Data obtained from Google Analytics, correct as of September 1 2014.

Metric	Pre Do It In Ten	Post Do It In Ten	Increase
Sessions	5,372	8,195	+52.55 %
Users	4,308	5,833	+35.40 %
Page Views	10,673	18,801	+76.15 %
Pages per Session	1.99	2.29	+15.47 %
Avg. Session Duration	91 seconds	113 seconds	+23.87 %
Bounce Rate	72.54%	68.65%	-5.36 %

Figure 4: SMTA Web Performance Analytics
1 Nov 2013 – 31 Dec 2014 vs. 1 Jan 2014 – 28 Feb 2014²⁴⁷

Responses from the participant survey's also indicate *Do It In Ten* has increased engagement, with 35.3% being unaware of *SMTA* before participating²⁴⁸ and 88% agreeing the challenge had increased their engagement with the site²⁴⁹.

There was a wide variation in the amount of time participants spent on personal creative endeavours²⁵⁰, with the average time spent (18 hours) showing participants are actively pursuing and highly engaged in their creative interests (Appendix 2, Question 5). There were also variations in the time spent creating *Do It In Ten* entries²⁵¹ but the average 10.97 hours shows there is a considerable effort made to participate, thus confirming participation as a DEB²⁵².

Like the *AniJam* event, challenge motivations are ones that receive most agreement, as reasons for participation²⁵³. Thus, again illustrating participants are intrinsically motivated to better ones creative skills and fulfil creative desires. Opportunities to win the 'Best of 2014' prize or gain exposure from *SMTA* are not highly ranked thus showing participation is more intrinsically motivated.

Therefore, again these creative challenges are shown to create a DEX that provides a method through which engagement can be increased. The level of participation required classes the challenge as a DEB, thus requiring DE to participate. However, similar to the *AniJams* the participant's primary engagement is not with *SMTA* but with the medium of animation. This is shown in that some participants were not aware of *SMTA* before participating²⁵⁴, or indicate site usage as

²⁴⁷ Data obtained from Google Analytics.

²⁴⁸ Appendix 2, Question 1

²⁴⁹ Appendix 2, Question 9.

²⁵⁰ *M.* 18, *Mdn.* 10, *SD.* 23.74,

²⁵¹ *M.* 10.97, *Mdn.* 8, *SD.* 7.66

²⁵² Appendix 2, Question 6.

²⁵³ Appendix 2, Question 7

²⁵⁴ Appendix 2, Question 1.

either infrequent or monthly²⁵⁵. The time spent pursuing personal creative endeavours²⁵⁶ however, shows they are highly engaged in animation or creative production. Therefore, like the *AniJam, Do It In Ten* enables *SMTA* to access the participant's engagement with animation for mutual benefit. The participant is given the platform and motivational challenge to fulfil creative desires, while *SMTA* gains from the unique UGC content and increases in engagement this content drives.

Other UGC Content Attempts

Not all UGC or spaces for audience interaction have been as successful. For instance, in April 2013 *SMTA* hosted a contest in partnership with MeBooks, a children's iOS book App. The contest sought to discover new children's book authors and illustrators with selected entrants having their picture book published in the MeBooks App. The contest again offered *SMTA* the opportunity to gain increased awareness through a more established partner and the recognition and publication opportunity increasing engagement around the contest²⁵⁷.

The contest ran from 17 April until 14 June and received 23 entries. However, at the time of the contest closing MeBooks decided none of the entries suitable to be taken forward and published in their App²⁵⁸. This highlighted issues that arise when seeking audience submissions in terms of finding adequate quality. It also placed *SMTA* in a difficult position with regards to informing entrants that no one had been selected. This led to confused and negative responses from participants and risked damaging perceptions of trust between *SMTA* and its audience.

In another instance an online directory was developed on the *SMTA* website, which enabled users to create a portfolio profile on the site. The aims were to encourage greater participation and time spent on the site, as well as give the audience a platform to increase exposure to their work. The feature was added to the site in February 2013.

However, while 78 users signed up few completed profiles leaving an

²⁵⁵ Appendix 2, Question 2.

²⁵⁶ M. 18 hours

²⁵⁷ Facebook post relating to the competition has received highest reach of all posts by *SMTA*. Data obtained from Facebook insights. Correct as of 28 August 2014.

²⁵⁸ MeBooks has since worked with one of the entrants to rework and complete aspects of their submitted entry and eventually published 'A Home for Humphrey' by Nikko Barber in December 2013.

appearance of inactivity. In an attempt to increase participation and show the value of the directory a weekly ‘Featured Member’ was run. This feature highlighted a members profile prominently on the site for a week and posted links on SM. While this did increase participation it was not to the extent where the ‘Featured Member’ item could be maintained long term. There continued to be an overall lack of completed profiles and appearance of inactivity. Therefore, the online directory was removed from the site in October 2013.

Again this demonstrates issues with quality and lack of participation that can be encountered through UGC, which presents pictures of inactivity and discourages additional participation. The directory also lacked differentiation against other creative portfolio sites such as Vimeo²⁵⁹ or Behance²⁶⁰, which already have a critical mass of users and can thus offer the value of exposure.

Social media

SM has been utilised within *SMTA* to increase the avenues of discovery and has proved a key source in driving traffic. This has been aided in part by the *AniJam* and *Do It In Ten* challenges, which encourage participants to share their films²⁶¹ and by the curation approach, which can gain the attention of the third party source (Figure 5). These two factors lead to content often being further distributed amongst networks outside of *SMTA*’s direct audience (Figure 6).

²⁵⁹ See: <http://vimeo.com>

²⁶⁰ See: <http://behance.com>

²⁶¹ Content relating to *AniJam* and *Do It In Ten* has created the highest engagement on SM. Data available from Facebook Insights and Buffer Analytics. Correct as of 1 September 2014.



Figure 5: Enso Student Showcase post shared by original creator via Facebook²⁶²

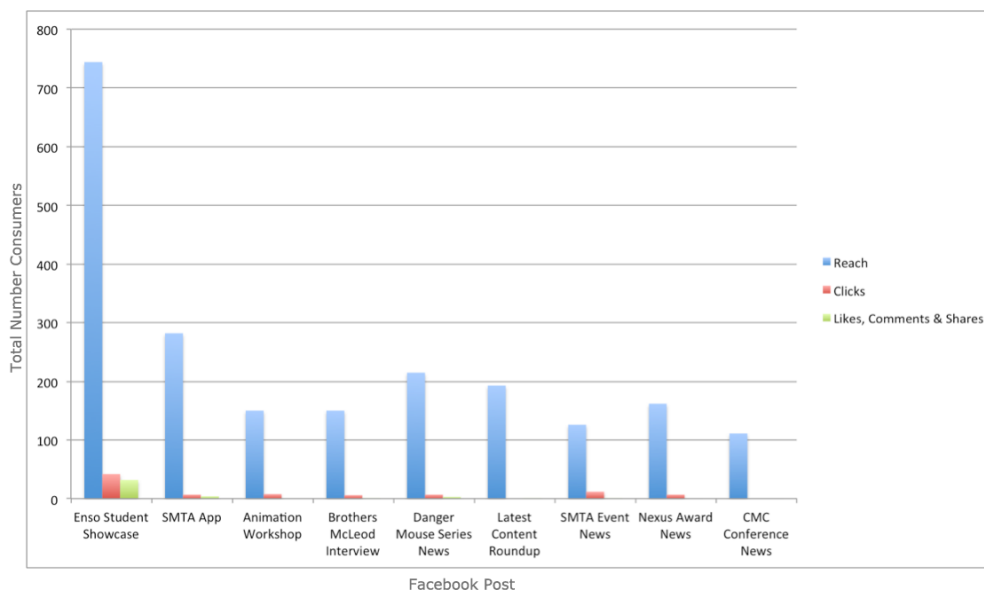


Figure 6: Enso Student Showcase Facebook post comparison²⁶³

²⁶² Screenshot taken 1 September 2014.

²⁶³ Data obtained from Facebook Insights. Post compared with 8 most recent posts at time of publication (4 pre Enso, 4 post Enso).

Within SM a conversational tone is advocated as an effective driver of engagement (Constantinides 2008; Gligorijevic and Leong 2011). Yet, experiences in dealing with SM content have found it difficult to utilise such an approach due to the demands required to deliver timely responses to audience interactions. This is further hampered by the multiple SM platforms upon which *SMTA* is fragmented, and also in managing separate WONKY accounts. Thus, without the management of SM becoming a full time role it can be difficult to commit to a conversational approach.

Despite these difficulties *SMTA* has been able to build a reasonable SM audience, particularly upon Twitter and Facebook. As illustrated earlier these audiences are greater than those developed by WONKY, due to the consistency afforded by a curation approach. However, the real value of these SM followers/fans may be questioned. While on face value it appears thousands are receptive to communications pushed on these channels, the realities are much smaller. On Twitter only a few hundred see the messages pushed at anyone time, with the same seen on Facebook. The fleeting nature of SM content means messages soon become lost. Also, while a profile may have a few thousands of followers/likes it does not mean all these people will be active at the time messages are posted (Figure 7 - 8).

Thus, the number of followers or fans does not represent the number of people who receive messages (Kietzmann et al. 2011). The ease at which people can ‘like’ or ‘follow’ profiles, and the unlimited number of profiles they can do this for, means people also have little reason to unfollow or unlike a profile (Kietzmann et al. 2011). Therefore, the act of following on SM may be seen as an LEB; there are limited barriers involved and the action may have little lasting effect and individuals may forget making the connection.

Conventional wisdom would suggest increases to SM audiences would lead to increases in content reach and subsequently the number of engagements (e.g. clicks). Yet, analytical data suggests this is not occurring with little difference shown, and potential decreases between 2013 and 2014 (Figure 9-11). While SM audiences have increased, the likelihood is those audiences are also following or liking a greater number of accounts. Therefore messages are competing against an increasing

amount of content meaning acquiring attention and engagement is increasingly difficult over time (Constine 2014).

These struggles may also be related to changes made by SM platforms in the way content is delivered. Facebook for example altered its algorithm in 2013 to deal with the amount of content in newsfeeds (Cohen 2014). These changes led to many page admins complaining of decreases in reach (Hamada 2014; Eat24 2014). Despite the drop in post reach, it is argued the changes mean posts are seen by a more engaged core group of users (Cohen 2014), thus producing higher quality reach. However this limits the ability to re-engage users outside this core group, without the need for paid tactics such as promoted posts (Delo 2013; Cohen 2014). Thus the proposed advantages of SM platforms reduce as they become increasingly crowded. Therefore tools considered as ‘free’ and ‘easy’ to use, begin to require much more commitment and strategic vision to be effective; skills and time SMEs may not possess (Bulearca and Bulearca 2010).

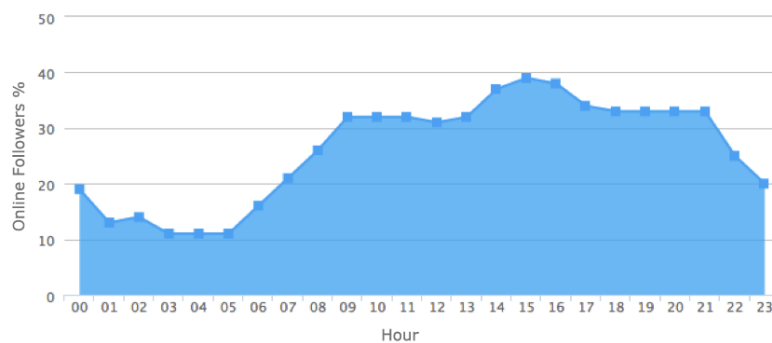


Figure 7: Percentage of active Twitter followers per Hour (GMT) ²⁶⁴

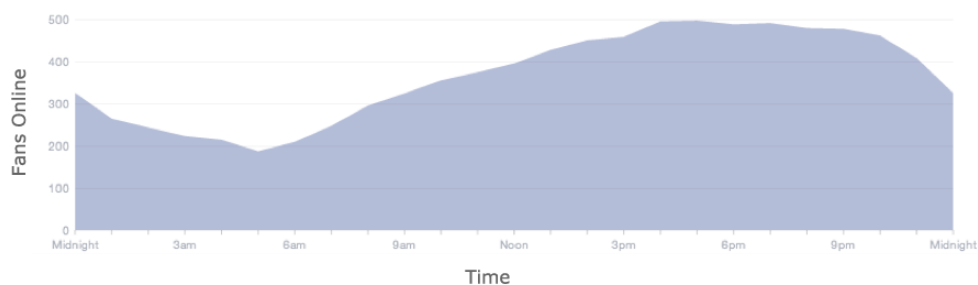


Figure 8: Number of Facebook fans active per hour (GMT) ²⁶⁵

²⁶⁴ Data obtained from Social Bro. Correct as of 27 August 2014

²⁶⁵ Data obtained from Facebook Insights. Correct as of 27 August 2014.

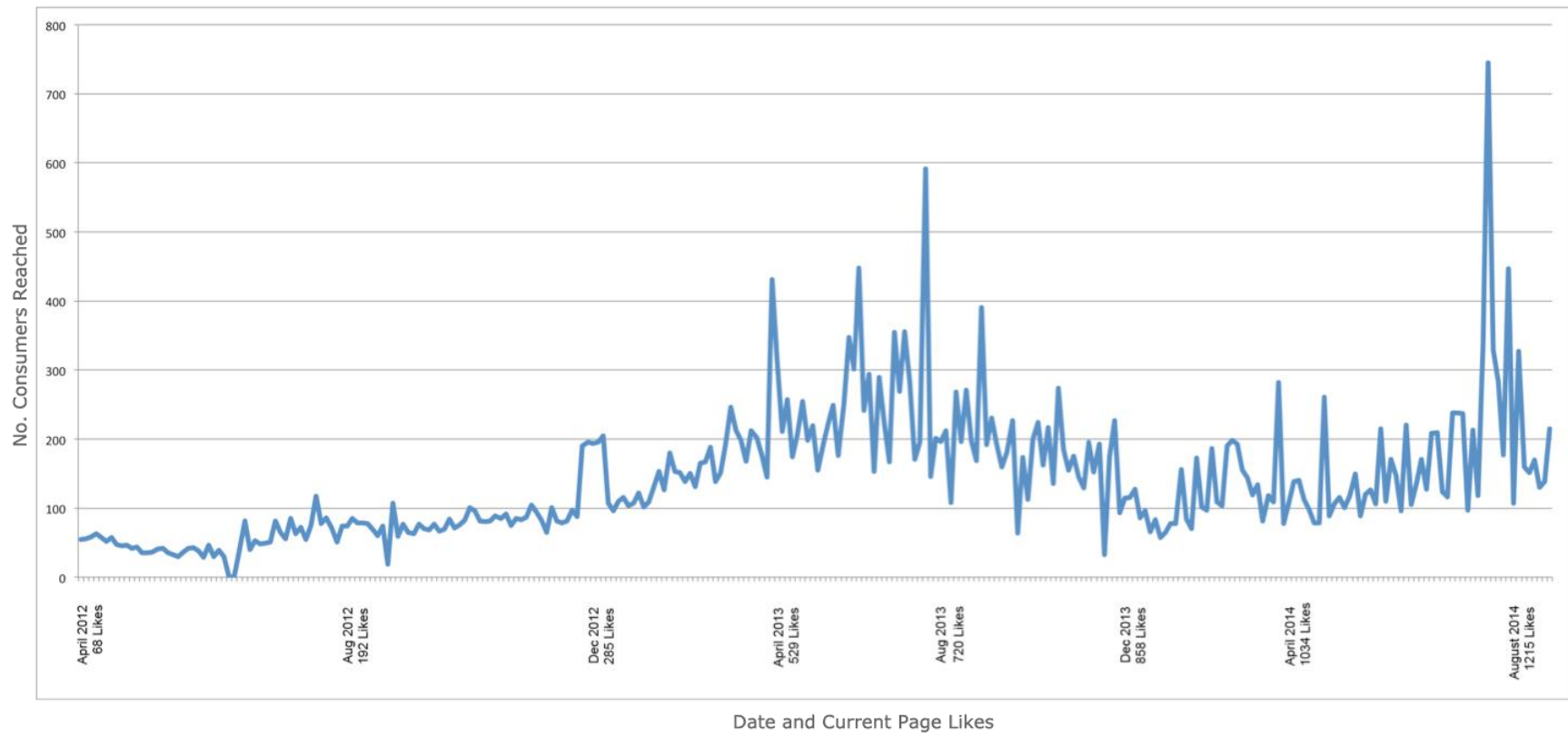


Figure 9: Pick of the Day Post Reach Facebook²⁶⁶

²⁶⁶ Data obtained from Facebook Analytics.

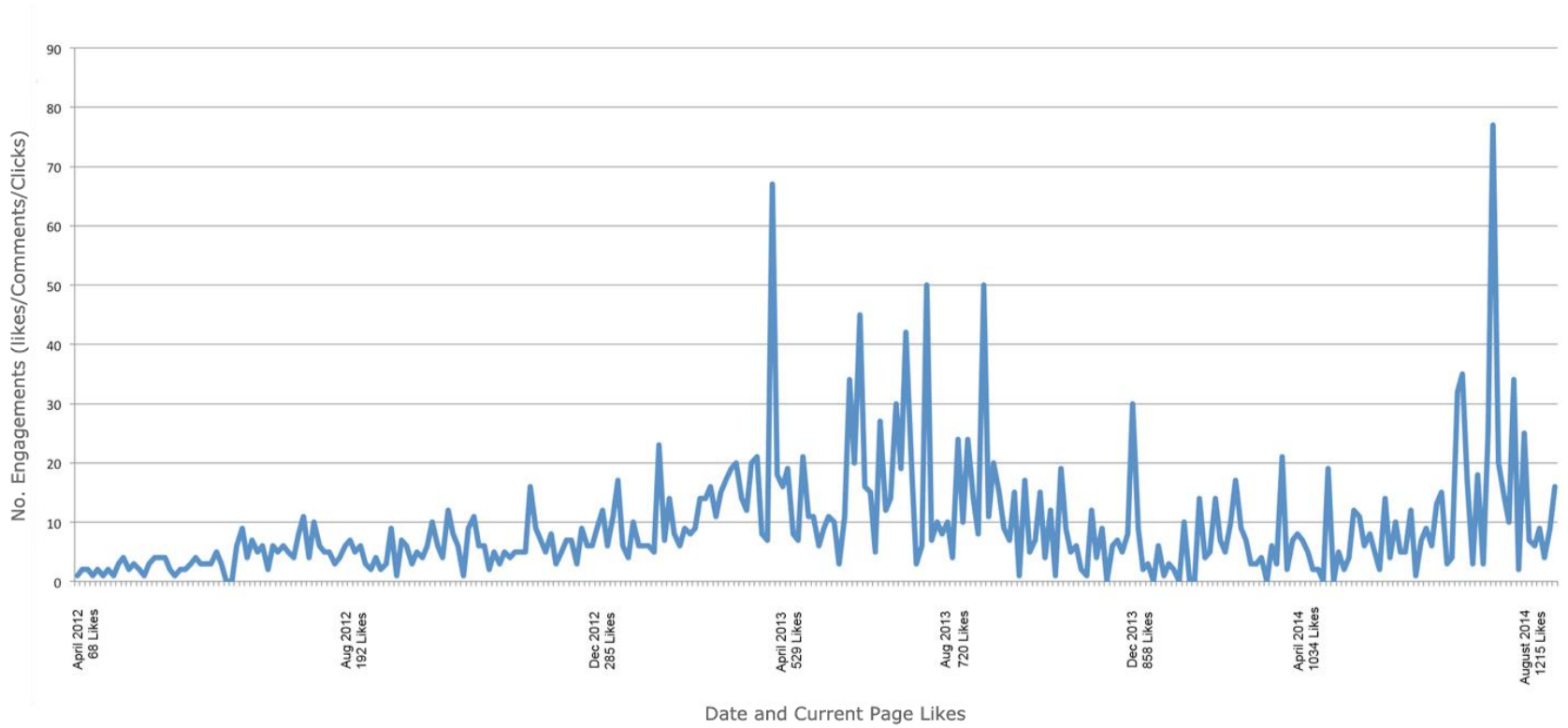


Figure 10: Pick of the Day Post Engagement Facebook²⁶⁷

²⁶⁷ Data Obtained from Facebook Insights.

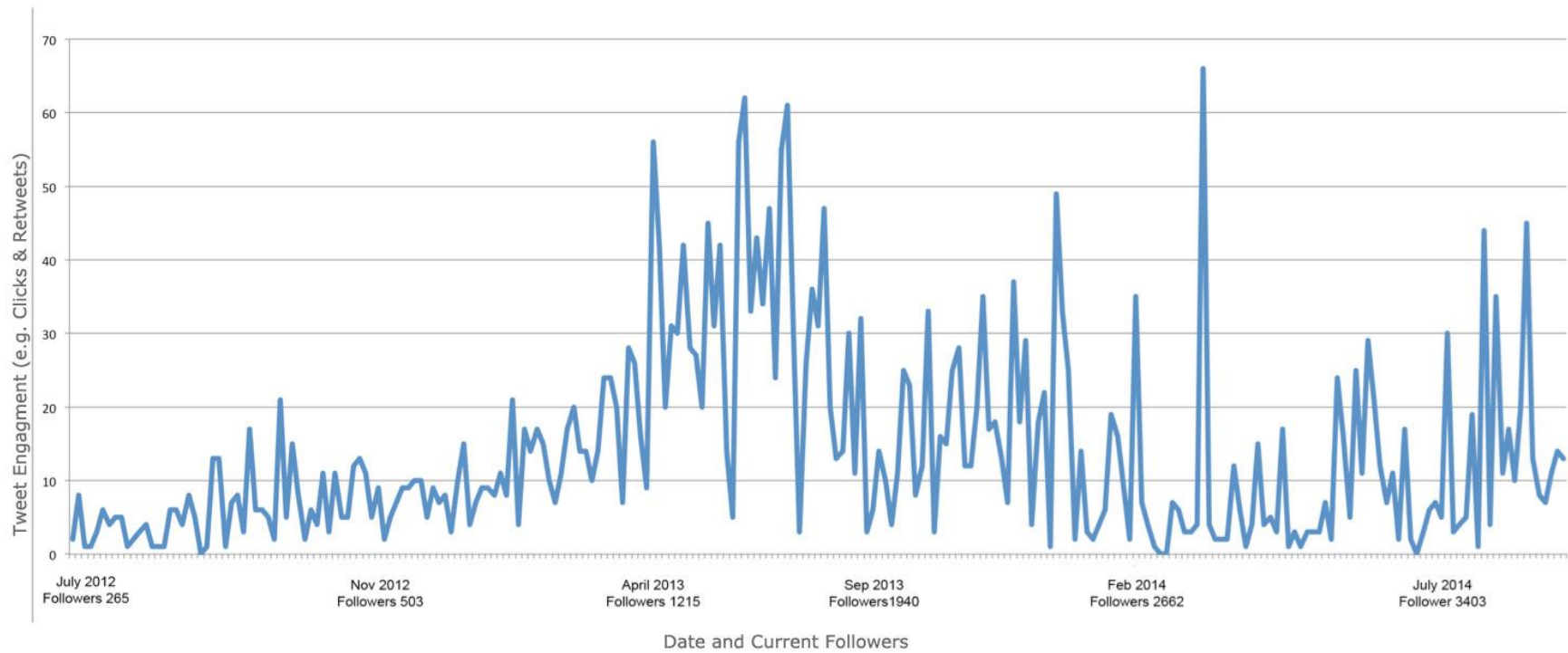


Figure 11: Pick of the Day Post Engagement Twitter²⁶⁸

²⁶⁸ Data obtained from Buffer Analytics.

Monetisation

Advertising

Attempts at monetising the *SMTA* website has been undertaken with advertising. These have been implemented using Google AdSense, which offers an easy to set up system. Ads have been running on the site since January 2014 and have only generated £11.93 in the eight months they have been running, with a page RPM of £0.30.²⁶⁹ Alterations between Ad size and placement, for example placing them in more prominent positions, has had some effect in increasing revenue, but not significant enough to justify compromising user experience over their placement.

On average *SMTA* attracts 4,348 visits and 9,179 page views per month²⁷⁰, thus illustrating the audience size required to generate enough revenue to make advertising a viable method for sustaining *SMTA*. For example, the cost of maintaining the *SMTA* website over a year is approximately £5,000²⁷¹, in terms of resources invested into updating content and site maintenance. To generate the revenue to cover these costs site visits would need to increase to over 500,000 visits per month. Such scale is beyond *SMTA* without greater resources investment to increase the content offering and attain greater exposure.

As the *SMTA* project has developed it has required a greater allocation of time; increases in film and news submissions as the audience has grown increase the time required to review and respond. Also, adding to content offerings with events and challenges like *AniJam* and *Do It In Ten*, and general site maintenance increases resource demands. These changes are made with the view of increasing audience attention and engagement, which then further adds to the resource demands. This can then lead to a paradox of popularity, where the more popular an entity becomes the greater the resource pressures. Yet, there is a need to develop this popularity in order to monetize and retract value form the entity, and unless this value can be derived it becomes difficult to maintain such resource investment.

Even the largest online publishers like the New York Times can struggle to break the paradox of popularity and make advertising a viable source of revenue (Groeneveld and Sethi 2010). Thus, whilst advertising provides an easy to

²⁶⁹ Data obtained from AdSense Analytics. Correct as of 28 August 2014.

²⁷⁰ Data obtained from Google Analytics. Correct as of 28 August 2014

²⁷¹ Based on 1 day a week invested into updates and maintenance

implement form of monetisation it is difficult to make viable due to the audience sizes required. Audience sizes are particularly limited due to the niche audiences interested in independent animation content. These insights are shared by the research interview respondents (Portfolio I, p432) who argue, *“the audience, just like, just doesn’t really exist. Like animation fans are really few and far between”* (WA 2014, Telephone Interview, Appendix 1.7 Line 504-505).

This issue becomes particularly pertinent when the *SMTA* focus is on showcasing the work of independent animators over mainstream content (e.g. Pixar and Disney). This mainstream content can be more appealing and generate high engagement. For example, news content related to more mainstream studios published on *SMTA* have a tendency to perform well²⁷². Thus such content becomes appealing to curators and editors as it can bring in greater audiences and then enhance potential to monetise. The tendency to promote mainstream content over independent content is also argued by a research interview respondent (Portfolio I, p432),

“I use animation magazine’s website, but that just seems to be focused on like on Hollywood and big features and big TV series’. And I just don’t like the Animation World Network website [...] again it, that doesn’t really feel to me that its focused on smaller people. It features things like big names and big films.” (BR 2014, Video-Phone Interview, Appendix 1.3 Line 291-296)

This becomes problematic for independent animators attempting to gain exposure in digital environments. While the smaller creatives would benefit from more exposure they are pushed out of focus as their content offers less value to curators. Thus, creating rich-get-richer dynamics as it is within the interest of those who control access to attention to highlight the content of established identities.

PWYW

As well as advertising, *SMTA* has also implemented PWYW in the form of a voluntary donation system upon the website. This has been themed as a ‘Buy us a Coffee’ contribution system in order to provide a tangible reference point for the donation. Since November 2013 the ‘Buy us a Coffee’ feature has generated two donations amounting to £6.90. The low number of contributions illustrates

²⁷² Content relating to mainstream studios and established studios generate high reach and engagement on both Twitter and Facebook. Data obtained from Buffer Analytics and Facebook Insights.

motivation to pay when content can still be obtained for free is in the minority. While PWYW payments are in the minority they do however motivate larger individual payments than advertising. Thus, PWYW generates larger contributions with less frequency, while advertising provides consistent but small revenue. Yet, without significant audiences and greater engagement both are too low to generate a sustainable revenue stream for *SMTA*. Those who did contribute did so to reciprocate value derived from *SMTA*. One cites an understanding of the effort involved in maintaining sites like *SMTA*, while another donated after their work was featured on the site, thus reciprocating based on the value of exposure. This displays evidence of a DE among these individuals through a deeper appreciation of the work and value derived from the *SMTA* site, which motivates the DEB donation.

iOS App

Towards the end of 2013, development began on the production of a *SMTA* iOS App. The App is designed to provide a curated selection of animated films and offer a new platform of discovery and revenue opportunities for this content. The *SMTA* App therefore offers a comparative case against the WONKY short film Apps to investigate the differences attained from having a larger audience, and also whether the *SMTA* App offered greater potential to create a WTP amongst the audience.

The App continues the overarching aims of *SMTA* to provide support for the independent animation community. The lack of technical knowledge and skills may prevent animators from being able to access platforms of delivery like App Stores, thus the App bridges this skills gap. This support continues into areas of monetisation, where like the WONKY short films Apps, the *SMTA* App aims to investigate the potential to create revenue streams that may go towards aiding the sustainable production of independent work. However, unlike the WONKY Apps the *SMTA* App explores several revenue streams (Ads, PWYW, Premium).

Development

Overview

Development began on the *SMTA* App in December 2013 utilising code from the WONKY short film Apps to speed up development. Like these other Apps the *SMTA* App has been developed using Adobe Flash. While there have been previous limitations with the software these have been addressed through updates and native

extensions, making it a suitable choice considering existing knowledge with the software.

To ensure quick development three prototype film pages were developed to test the functionality of the ad, PWYW, and premium monetisation systems used in the App. Once tested these prototype pages were used as templates to create each film's page within the App, dependent on the filmmaker's choice of revenue system. With these template files in place the addition of each new film becomes a relatively simple process with minor edits required to each code file.

A total of 28 films were initially included in the App with a further 5 films added through updates bringing the current total up to 33²⁷³. The ability to add new films offers a method through which content can be kept fresh and give reason for continued user engagement (Scime 2009; Fern 2012). Alongside the short films the App includes the *AniJam* and *Do It In Ten* films to increase the level of content available, and again offer a means to refresh content regularly with the latest *Do It In Ten* films added each month. The inclusion of the *AniJam* and *Do It In Ten* films also opens the discovery of these challenges to new audiences.

A series of *SMTA* interviews are also included with the App, these interviews have been filmed at a number of Festivals and are conducted with filmmakers and producers from the industry. These interviews increase the level of informational content available and satisfies additional needs alongside the primarily entertainment driven short film, *AniJam*, and *Do It In Ten* content.

Social sharing within the App is featured throughout, with users given the ability to share content on Facebook, Twitter, and email. This increases the potential for WOM activity within the app. WOM is considered one “*one of the most effective forms of marketing*” (Bulearca and Bulearca 2010, p 97) as it is driven by people close to the consumer (e.g. friends/family) thus creating greater trust (Constantinides 2008; Bulearca and Bulearca 2010). Therefore, potential social sharing elicited through the App can help increase the exposure generated for each filmmaker, the App and *SMTA*.

²⁷³ Correct as of September 2014

Curation

Similar to how the *SMTA* website has been developed the App is lead by a curation approach, which aims to curate a high quality selection of films that would offer specific value to an animation audience. Thus, while it may be argued there are similar existing artefacts (e.g. Vimeo/YouTube) the *SMTA* App specifically features animation content and creates an environment where animation is not competing against other mediums. In existing artefacts content is competing against wide variations of content; professional to amateur, entertainment to informational, artistic to commercial, and short home videos to feature length films. Therefore, through curation the *SMTA* App aims to highlight a small set of content worthy of audience attention among the vast quantities of content available (Askalidis and Stoddard 2013), and in turn build trust and engagement with the audience (Scime 2009; Rosenbaum 2010; Fern 2012).

The curation approach is also undertaken to combat struggles with visibility found with the WONKY short film Apps where the promotional incentive remains with WONKY. In comparison, the curation approach enables the potential WOM effect to be increased as each filmmaker has an incentive to promote the App. Therefore, it is expected this would give the *SMTA* App a stronger promotional foundation, which alongside the greater audience developed for *SMTA* during this research would enable the App to attain greater visibility than the WONKY Apps.

Monetisation

As mentioned earlier the *SMTA* App seeks to provide opportunities for the filmmakers to earn revenue from their films within the App. As the App delivers content designed to appeal to an animation focused audience, and as *SMTA* provides the promotional foundation to reach this audience, the potential to monetise is based on insight from the research study presented in Portfolio G (p399). In this study it is shown individuals who display a higher engagement with animation subsequently display a higher WTP for animation content. Thus, by delivering content that meets these audiences' gratifications the potential to elicit their WTP can be created.

The App offers each filmmaker three monetisation options. Firstly, advertising where interstitial ads are displayed when viewing the film. Secondly, through a PWYW system enabled through in-app purchases. Here users are able to 'Fuel' a

film via the films page and also via a ‘pop-up’ initiated when the users exits a viewing session. The user is given three payment options £0.99, £2.49 and £4.99, but can also continue viewing for free. Finally, there is a premium payment option that places a monetary barrier in front of the film. No matter which revenue method is chosen the revenue split between *SMTA* and the filmmaker is the same with 85% allocated to the filmmaker and 15% to *SMTA*.

Of the 33 films included within the App, 22 have opted for advertising, 10 a PWYW method and one using a premium payment method. This may suggest a greater desire among filmmakers for audiences and exposure than making a financial return, as both the ad and PWYW methods remove barriers and offer ‘free’ consumption to the audience.

In terms of the PWYW and Premium models, both use the in-App purchase system offered by Apple. This provides an existing payment system that users are familiar with. Within the transaction process payment details are often already saved to the users account, thus the purchase is more seamless. This system of familiarity can reduce concerns about making payments in digital environments, which have been found to be a barrier (Ye at al. 2004; Dou 2004).

The interviews included within the App also implement advertising through banner adverts. This increases the direct revenue potential attained by *SMTA*, as while revenue derived from the films is split between *SMTA* and the filmmaker, the ad revenue earned from these banner ads is retained by *SMTA*.

Delivery

Overview

The App was released in on June 23 2014 and like the WONKY short film Apps relied on promotional activity via the *SMTA* social networks, website, and by gaining exposure on relevant websites (creative, animation, App reviews). Through the experience of promoting the app one stumbling block to gaining promotional material has been a monetary barrier placed on entry. Responses to emailed press releases are often met with requests for payment by App Review sites due to the volume of submissions received. These reviews can become costly with some charging over \$100, as well as services that will add reviews on the App Store rising into the thousands (Figure 12).

This creates a system unfavourable for those with limited resources. The ability to purchase App store ratings also means consumer trust can be manipulated by those with the expendable resources. This creates a system in risk of being falsified and enabling some entities to present images of success irrespective of actual quality, or real consumer opinions. It also provides further evidence of rich-get-richer ecosystems where those with the expendable resources can pay for additional exposure and distribution (Dixon 2013), thus increasing the potential to derive further revenue. This then makes it harder for smaller entities or those new to the market to close the gap and catch up.

01. App Ratings & Reviews

▼ The following pricing applies for FREE apps:

TYPE	PRICE
40 iOS reviews with ratings (2.5 USD per review)	\$99
80 iOS reviews with ratings (1.862 USD per review)	\$149
100 iOS reviews with ratings (1.8 USD per review)	\$180
120 iOS reviews with ratings (1.791 USD per review)	\$210
160 iOS reviews with ratings (1.718 USD per review)	\$275
200 iOS reviews with ratings (1.695 USD per review)	\$339
240 iOS reviews with ratings (1.662 USD per review)	\$399
280 iOS reviews with ratings (1.643 USD per review)	\$460
320 iOS reviews with ratings (1.609 USD per review)	\$515
400 iOS reviews with ratings (1.6 USD per review)	\$640
1000 iOS reviews with ratings (1.55 USD per review)	\$1550
2000 iOS reviews with ratings (1.50 USD per review)	\$3000

▼ The following pricing applies for PAID 1 USD apps:

TYPE	PRICE
10 iOS reviews with ratings (12 USD per review)	\$120
15 iOS reviews with ratings (10 USD per review)	\$149
20 iOS reviews with ratings (9.95 USD per review)	\$199
30 iOS reviews with ratings (9.63 USD per review)	\$289
40 iOS reviews with ratings (9.375 USD per review)	\$375
50 iOS reviews with ratings (9.30 USD per review)	\$465
60 iOS reviews with ratings (9.15 USD per review)	\$549
70 iOS reviews with ratings (9.128 USD per review)	\$639
80 iOS reviews with ratings (9.062 USD per review)	\$725
90 iOS reviews with ratings (9.00 USD per review)	\$810
100 iOS reviews with ratings (8.99 USD per review)	\$899
115 iOS reviews with ratings (8.68 USD per review)	\$999

Figure 12: App review Costs offered by an App Marketing Service²⁷⁴

Engagement

Within the first month of release the App was downloaded 378 times, a similar first month download rate achieved by the WONKY short film Apps. Thus, despite the earlier expectations that the *SMTA* App would outperform the WONKY Apps due its additional promotional network, this has not occurred in reality. Thus, even with networks larger than WONKY download rates have not been significantly greater and the ability to attain visibility has again proved difficult. This further questions the value of SM audiences unless they become substantial, and questions how many users are engaged with the messages delivered. Figure 13 illustrates the download rates for the App compared alongside the WONKY short film Apps and the available social networks at the time of delivery. This data further emphasises the case put

²⁷⁴ Screenshot taken from media marketing pack received in response to an emailed App press release. Taken 29 Aug 2014

forward in Portfolio C (p254) that promotional activity has little effect on download rates.

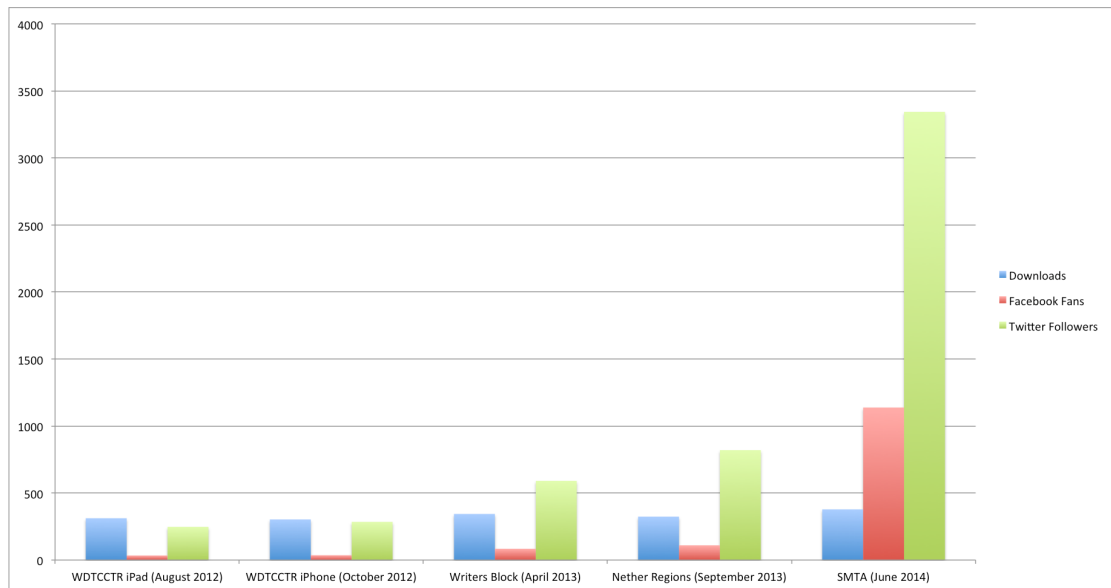


Figure 13: WONKY short film Apps and SMTA App first month download rates and promotional network comparison²⁷⁵

Even trials of paid promotional activities have had negligible effect. These were carried out after the App had been available for two months. These paid tactics included Facebook and Twitter adverts and two paid reviews on App review sites. A total of £140.98 was spent on promotion with a breakdown of cost illustrated in Figure 14. Of the methods used direct costs per install can only be seen in the Facebook App Ads. These ads generated 30 App installs at a cost of £0.83 per install. This is less than the cost per install generated by *The Nether Regions* (£3.33, Portfolio C, p254). Yet, still illustrates the ability to gain significant downloads from these Ads will be at a cost unattainable for many SMEs seeking to enter the App market. The evidence shown here again strengthens the arguments presented in Portfolio C (p254), which find ‘free’ promotional approaches without significant audience networks, and paid promotional approaches without substantial investment, display minimal effect in aiding downloads.

Looking at the effects of the paid promotional activity it can be seen that they have led to an increase in download activity (Figure 15). However, this is only apparent for duration of the SM promotion (Facebook and Twitter). Increases after the paid reviews have not occurred, even though these were more expensive. The

²⁷⁵ Data obtained from iTunes Connect, Facebook Insights and Social Bro

paid site reviews provide greater risks. As there are multiple sites offering this service it is difficult to know which ones may provide effective results (or if any do). The SM ads however, are linked to App installs or opens and in particular the Twitter adverts only charge when a user clicks or opens the App from the Advert. Thus, the SM adverts appear more effective as they lead the user directly to the App. The App reviews on the other hand create a two-step process where the user must go through the review before being connected to the App.

Type	Spend	Campaign Dates	Results	Reach	Cost Per Engagement
<i>Twitter App Advert</i>	£24.71	24 August 2014	0.63% Click Rate	13,709	£0.29
<i>Facebook App Advert</i>	£24.98	23 August – 6 September 2014	30 App Installs	8,177	£0.83
<i>Paid reviews on App Review sites and Press Release distribution</i>	£91.29	13 September 2014	2 Reviews on App Review Sites	N/A	N/A

Figure 14: SMTA App paid promotion break down

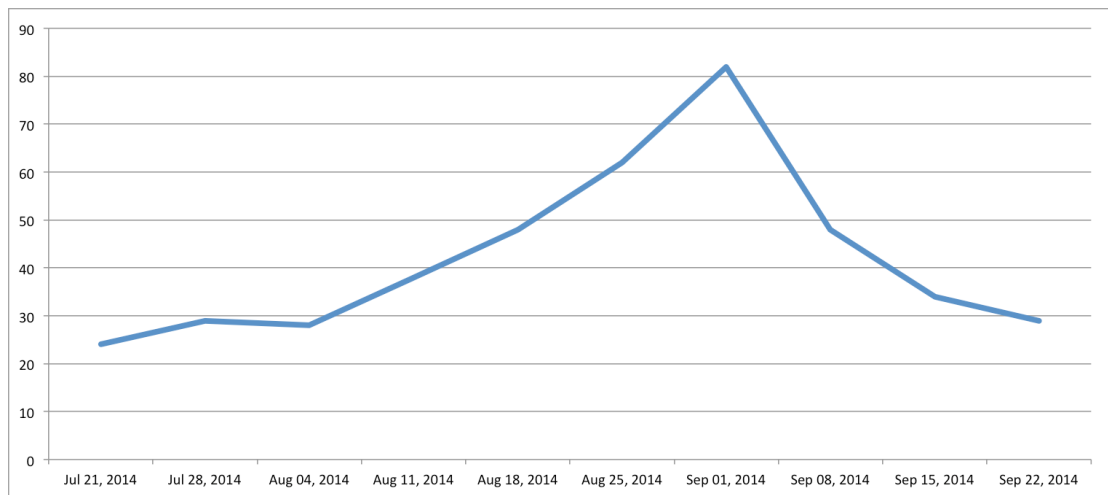


Figure 15: SMTA daily downloads during paid promotional period²⁷⁶

Analysis of the App analytics (Figure 16) indicates the App is performing better in terms of active users, but worse in relation to session length compared to the WONKY short film Apps. The higher level of active users may be due to its more

²⁷⁶ Data obtained from iTunes connect. Paid promotional period 23 August – 23 September 2014.

recent release, while the shorter session length may be due to a reduced replay value in comparison to the short film Apps. In Portfolio C (p257) the mini-games included with the short films were shown to add replay value, which is not found through the consumption of short films alone.

	Unique Users	Total Sessions	Session Length Secs (Mdn)	Active Users Per Day (Avg)
<i>WDTCCTR?</i>	231	968	1.2	2.62
<i>Writers' Block</i>	1347	2961	1.3	4.01
<i>The Nether Regions</i>	534	1308	1.1	2.8
<i>SMTA</i>	687	1984	50.6	12.45

Figure 16: Key App Metrics²⁷⁷

The lack of replay value is shown in figure 17, which shows the total number of plays in comparison to the unique plays of a selection of the Apps films. The similarities between the two figures show the films rarely elicit more than one play per unique user. Thus, the *SMTA* App may be at risk of a lack of engagement due to the lack of replay value found in short films; an issue that is likely to arise without the regular delivery of new content. The *Do It In Ten* films are being used to ease this delivery of new content, as the previous months entries are added each month. However, the short 10-second nature means they are only LEX items of content. Therefore, while new films are also being added periodically, greater frequency may be required if increased usage is desired. Else the consumer is likely to seek alternate sources to meet their needs.

Evidence of this lack of replay value is also shown by the session frequency data that shows the majority of users have one session with the App. This is evident in the other short film Apps and therefore shows users are finding a lack of long-term engagement. It may also indicate the Apps are yet to find the 'right' audience (e.g. those who will develop DE). This was also suggested in Portfolio C (p255) when discussing *Writers' Block*. Here it was argued higher download rates attained by *Writers' Block* may be due to users discovering the App through incidental search. In figure 18 *Writers' Block* App displays the highest percentage of one session usage, thus indicating users not continuing engagement long-term.

²⁷⁷ Data obtained from Flurry Analytics. Correct as of 24 September 2014

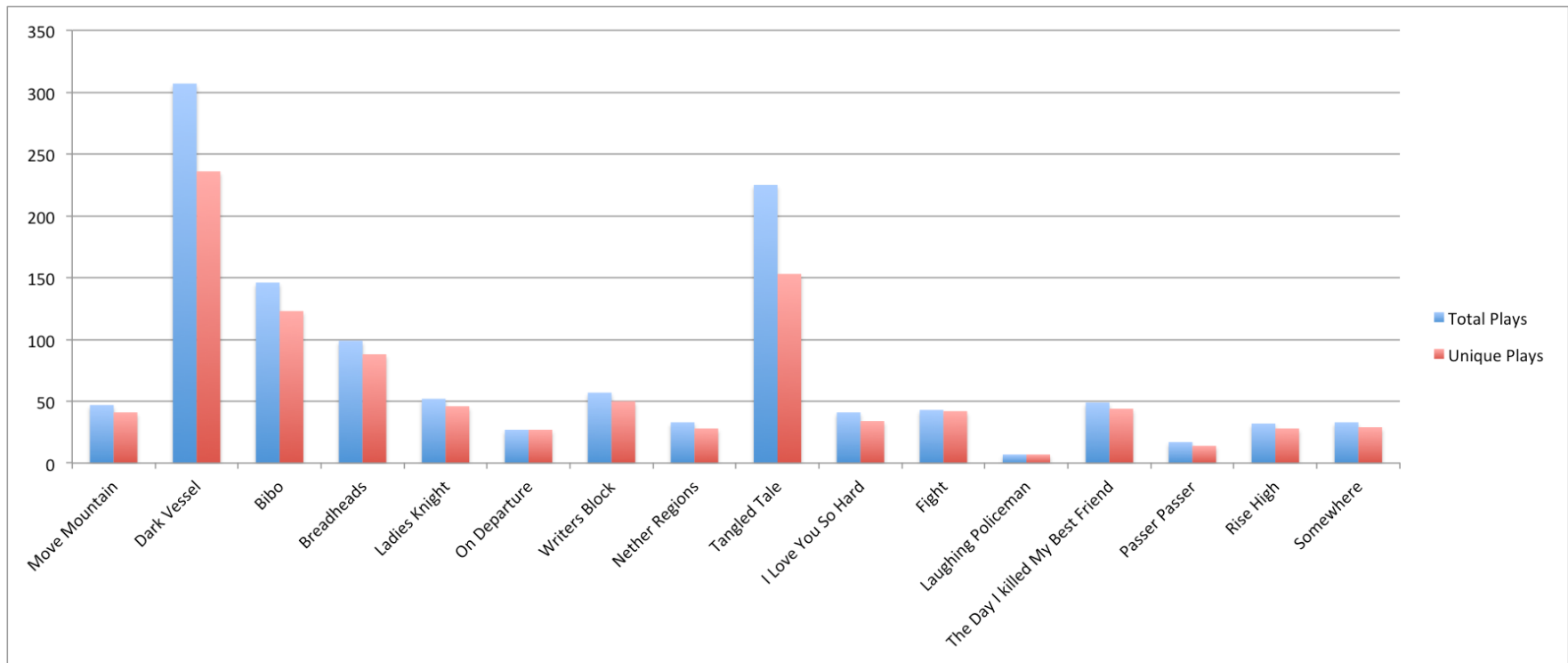


Figure 17: Short Film Replay Value²⁷⁸

²⁷⁸ Data obtained from Flurry Analytics. Correct as of 24 September 2014

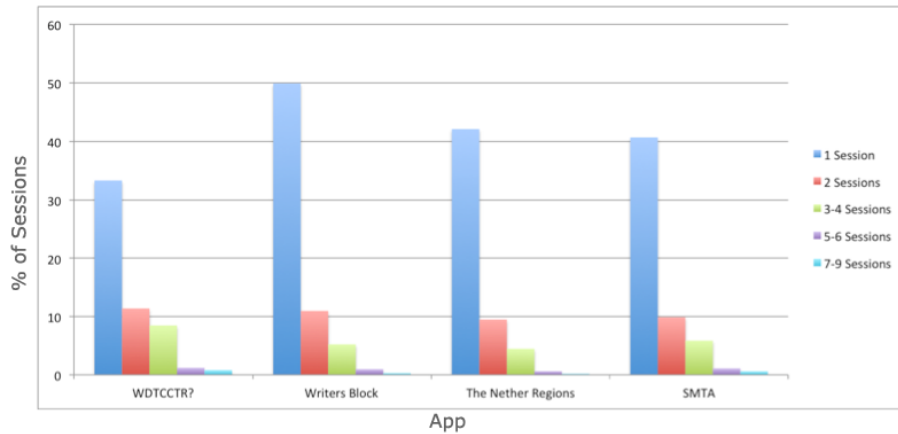


Figure 18: App Session Frequency (% of sessions) ²⁷⁹

Monetisation

With a low number of users and low session frequency, the ability to monetise content has again proved difficult. Similar to what has been found with the *SMTA* website low audience numbers means the ‘eyeballs’ required to make advertising a viable revenue method do not exist. Advertising has so far been implemented using the Apple iAd network and Google AdMob network. In total the advertising revenue generated has been insignificant generating £2.14,²⁸⁰ with the current eCPM values (£0.92 iAd and £1.93 AdMob) this is unlikely to improve without significantly greater audiences.

The lack of an audience means PWYW is also struggling. As discussed in both Portfolio C (p272-273) and Portfolio G (p418) WTP for short animation content is in the minority, requiring DE with the content creator, especially when content can be obtained for free. Thus, while there may be some consumers who display a WTP they are far outweighed by those who do not. So far none of the films with a PWYW model implemented have generated revenue, thus showing a lack of WTP among those consuming these films.

The only film receiving direct revenue is the one film with a premium model attached and has been purchased twice at the price of £2.49, earning more revenue than the rest of the films combined. By removing the option to consume for free this film creates a scarcity that elicits a WTP. However, in terms of exposure this film has gained the least, with only 2 views due to the payment barrier. This is illustrative

²⁷⁹ Data obtained from Flurry Analytics. Correct as of 24 September 2014.

²⁸⁰ Data obtained from iAd and AdMob insights. Correct as of 24 September 2014.

of Shirky's (2003) Fame vs. Fortune dilemma where the creative must choose whether to release content for free and generate exposure, or attempt to derive fortune but limit exposure. Also, similar to the discussion of monetisation in relation to the *SMTA* website, DE models of monetisation (Premium/PWYW) are likely to generate large but less frequent amounts, while LE models (advertising) will generate consistent but smaller amounts.

While the premium model has elicited two payments, the revenue generated is still too little to aid the future production of creative work, or provide viable revenue for *SMTA*. The revenue generated by this premium film is also too low to claim anything of significance relating to the effects of different payment models aside from the difficulties of generating revenue for short animation. As has been established in this research the ability to monetise stems from a foundation of engagement. Therefore, the struggle faced in gaining exposure for the App means audience engagement is limited and the ability to generate revenue suffers as a result.

As discussed earlier, independent short animation content is limited by its lack of a mainstream audience. Thus, it becomes difficult to find those who may have a DE with the medium and display a WTP. The audience is dominated by a lack of WTP due to the abundance of free content that creates little incentive to pay.

“it's extremely difficult to convince people that they should part with some money to buy a thing off the internet, when the internet is absolutely bulging at the seams with free stuff” (SM 2014, Video-Phone Interview, Appendix 1.8 Line 646-649)

While attempts can be made to change the system doing so is difficult due to critical mass of users and consumer habits on sites like YouTube.

“yeh you can try and create something different to YouTube or Vimeo, but [...] as far as those companies are concerned they have you in a habit of using their site [...] the power of habit, that we all have for YouTube or Vimeo makes it a place that people are, people are going to go watch your video or spend maybe a bit of money buying your thing” (TL & SJ 2014, Telephone Interview, Appendix 1.4 Line 533-539)

YouTube and Vimeo have invested millions in generating the audiences they have today, and developing engagement (a DE) with their sites as a platform of consumption. The critical mass of audience attention these platforms have attained is hard to compete against and any changes in creating revenue streams, which can better feedback into the creation of work, are likely to be best implemented by these sites.

Value for WONKY

While *SMTA* works to develop opportunities for the entire animation community, retaining control of the project means WONKY are well positioned to benefit for a number of reasons. Firstly, the editorial control afforded to WONKY means they are ‘gatekeepers’ in terms of the content that gets featured upon the *SMTA* website and App. This provides WONKY with platforms to share news about their latest content and also feature their own films within the App. Curating the content of others for *SMTA* also enables WONKY to keep ahead of what is happening in the industry; by seeing what other people are creating WONKY can gain inspiration and keep pace with the competition. Similar insights were also presented in an Interview with a company who themselves curate content for company blogs.

“it gives us a reason to get out and look at other peoples work and see what other people are doing. And learn from that [...] having a reason to, to go out and look at other peoples work, and see what these sort of new students are doing, keeps us, keeps us sort of fairly relevant I suppose.” (MA 2014, Telephone Interview, Appendix 1.10 Line 262 – 272).

Secondly, *SMTA* events allow WONKY to keep in contact with prominent industry figures, and also make connections with potential new clients, or sources of future value (e.g. access to funding). Contacts established with local universities, and the networking opportunities created through *SMTA* also allows WONKY to find upcoming talent and enhance their collective of freelance workers.

Thirdly, *SMTA* offers additional portfolio items (Website, App) to add to the growing body of digital work created by WONKY. With ambitions to further develop this side of the company the creation of these artefacts strengthens the foundation of digital work.

Finally, analytics for the WONKY website indicate that *SMTA* is the second highest source of referral traffic²⁸¹, thus showing how *SMTA* can be beneficial in creating visibility for WONKY. The referral links provided by *SMTA* has further value in terms of strengthening the visibility of WONKY in search results, as the top search algorithms are defined by the quality of links between pages (Google 2014). This visibility attained for WONKY is also seen in an audience follow-through evident on SM platforms, with audiences who follow or like *SMTA* profiles also joining the WONKY profiles. This has been encouraged by crediting WONKY in the *SMTA* social profiles (Figure 19), as well as the inclusion of social links in an email footer that responds to all *SMTA* email correspondence²⁸².

However, more could be done to increase the visibility of WONKY upon the *SMTA* platforms. The WONKY identity is hidden behind the *SMTA* ‘brand’ and it is therefore not immediately evident *SMTA* is developed and maintained by WONKY. This is illustrated in Figure 20, which shows the acknowledgement of WONKY on the *SMTA* site is pushed to the page footer. Emphasising the WONKY identity more on the *SMTA* platforms would increase the potential for greater audience follow-through between the two identities. This may also increase positive attitude towards WONKY as the wider community can see the companies efforts in providing a valuable resource for all to benefit from.

Despite the value for WONKY illustrated here, continued development of *SMTA* does come with caution and must consider the resource costs of maintaining the project. The range of content dealt with by *SMTA* may need to be scaled down to be more efficient. However, with the value for WONKY evidenced here, it can be seen how continued development and management of *SMTA* will continue to aid WONKY in the long term.

²⁸¹ Data obtained from Google Analytics. Correct as of 1 September 2014.

²⁸² *SMTA* email uses a forwarding address to a WONKY account, which is then used to respond to all communications



Figure 19: SMTA Twitter profile including credit to WONKY²⁸³

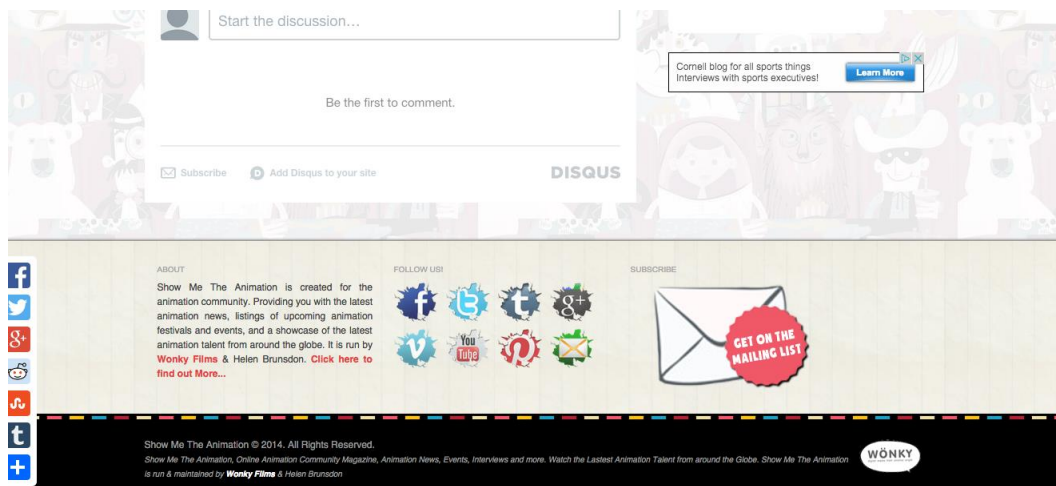


Figure 20: SMTA Website showing WONKY credit at the very limit of the page²⁸⁴

²⁸³ iPhone App screenshot, taken 23 August 2014

²⁸⁴ Screenshot taken 23 August 2014.

Conclusions

In summary the *SMTA* project contributes to this research in the following ways. Firstly, it presents insight in to the curation approach to content delivery, which is shown to enhance the ability to develop engagement. This subsequently increases the ability elicit DEBs and gain value from the consumers 'surplus energy' (*AniJam* and *Do It In Ten*). Also, allowing the consumer to become an active part in the co-creation of value is shown to enhance engagement with those participating and the wider audience. Yet, not all participatory experiences will be successful and they must offer something new and indicate the value of participation.

Secondly, this curation perspective and ability for content curators to build engagement more efficiently due to the consistency of delivery, continues to question who benefits the most from the efforts of creative talent. The difficulties in attaining audiences' means curators are relied upon to provide exposure. Yet, for the creator this is often short-lived while curators continue to benefit from the entire breadth of creative content. Therefore, audiences' form around curators who can meet the consistent demands for content gratification and are then better positioned to gain value (e.g. monetise) from the consumers' engagement with the medium of interest they satisfy.

Thirdly, the project adds to the continued understanding of engagement developed through this research and the notions of LE and DE. In particular the *SMTA* project has discussed DEX and DEB in relation to UGC experiences that can help differentiate and enhance engagement with an entity.

Finally, the project highlights the difficulties faced in attaining exposure and monetisation. While a curation approach is shown to enhance and speed up the development of audiences and engagement it is still a process that occurs over time and should not be expected too soon. Even though the *SMTA* project has developed larger audiences than *WONKY* centric content and created more 'active' engagement, struggles with visibility have still been evident. This has lead to continued struggles with monetisation. The audience size required to create viable revenue streams is unattainable for many and particularly for short independent animation content, which lacks a mainstream audience. This, combined with the abundance of free content available, makes motivating consumer WTP difficult.

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Appendix 1 – AniJam Survey

Pre-Event Results

1. Where you aware of Show Me The Animation before registering for the AniJam?

Yes: 4

No: 7

2. How often do you visit the Show Me The Animation website?

More than 3 times a week: 0

2-3 times a week: 0

Weekly: 0

Fortnightly: 0

Monthly: 3

Infrequently : 1

3. Please rate your current affiliation with Show Me The Animation? Please rate on the following scale (-5 = negative / +5 = positive)

1.54 (Avg)

4. Where did you hear about the AniJam Event?

SMTA Website 1

SMTA Twitter 0

SMTA Facebook 1

SMTA Email 1

Encounters Website 2

Encounters Twitter 1

Encounters Facebook 3

Encounters Email 1

Word of Mouth 4

5. Have you participated in similar events before?

Yes: 3

No: 8

6. How Many Hours a week would you say you spent on personal creative endeavours (non-work related)?

9.68 (Avg)

7. What were your reasons for taking part in the AniJam? Please rate the options below between 1-5 (1 Strongly agree/ 5 Strongly disagree)

Reason	Average
<i>Cognitive</i>	
Further My Creative Skill	1.90
Learn from Others	2.36
Challenge Myself	2
Opportunity to make a film	2.27
<i>Recognition</i>	
Promote my work and Skills	2.90
Screening at Encounters	2.81
<i>Social</i>	
Collaborate with Others	2.18
Meet Interesting People	2
<i>Entertainment</i>	
Just for Fun	2.09
Curiosity	2.18

Post Event Results

8. Compared to your most recent creative project (work or personal) how creatively stimulating was the AniJam Event?

Much Less:	0
Slightly Less:	0
Neutral:	0
Slightly More :	8
Much More:	3

9. How has the AniJam Experience effected your affiliation with Show Me The Animation?

2.27 (Avg)

10. Has the experience increased your likelihood of visiting the Show Me The Animation site and/or attending future events?

Strongly Agree:	3
Agree:	8
No Increase:	0
Disagree:	0
Strongly Disagree:	0

Appendix 2 – Do It In Ten Survey

Results

1. Where you aware of Show Me The Animation before hearing about Do It In Ten?

Yes: 11

No: 6

2. How often do you visit the Show Me The Animation website?

More than 3 times a week: 1

2-3 times a week: 2

Weekly: 3

Fortnightly: 1

Monthly: 4

Infrequently : 6

3. Where did you hear about the AniJam Event?

SMTA Website 5

SMTA Twitter 3

SMTA Facebook 3

SMTA Email 3

SMTA Vimeo 1

Reddit 1

WOM 1

4. Have you participated in similar events before?

Yes: 9

No: 8

5. How Many Hours a week would you say you spent on personal creative endeavours (non-work related)?

18 (Avg)

6. How Many Hours did your Do It In Ten Entry take to complete?

10.97 (Avg)

7. What were your reasons for taking part in the AniJam? Please rate the options below between 1-5 (1 Strongly disagree/ 5 Strongly agree)

Reason	Average
<i>Cognitive</i>	
To challenge myself	4.53
Further my creative skills	4.53
Opportunity to create an animation	4.29
<i>Recognition</i>	
Gain exposure through SMTA	2.82
Win the 'mystery' best of 2014 prize	1.41
<i>Social</i>	
Connect with other people with similar interests	2.47
<i>Entertainment</i>	
Just for Fun	4.00
Eliminate boredom	1.88

8. Compared to your most recent creative project (work or personal) how creatively stimulating was Do It In Ten?

Much Less: 1

Slightly Less: 0

Neutral: 4

Slightly More : 8

Much More: 4

9. Has taking part in Do It In Ten increased you spend visiting the SMTA website

Strongly Agree: 2

Agree: 13

No Change: 1

Disagree: 1

Strongly Disagree: 0

F. Success in the Management of Crowdfunding Projects in the Creative Industries

Abstract

Purpose - Crowdfunding has become a significant way of funding independent film. However undertaking a campaign can be time consuming and risky. This paper aims to understand the predictors likely to produce a film campaign that meets its funding goal.

Design/Methodology/Approach - This study analyses 100 creative crowdfunding campaigns within the film and video category on crowdfunding website Kickstarter. Campaigns were analysed in relation to a number of variables, followed by a discriminant analysis to highlight the main predictors of crowdfunding success.

Findings – This study finds key predictors of crowdfunding success and investigates differences between successful and failed crowdfunding campaigns. The attributes of these predictors lead us to question the long-term ability of crowdfunding to aid companies poorer in terms of time, financial and personnel resources, and therefore arguably in the greatest need of crowdfunding platforms.

Practical Implications – The findings provide insight to practitioners considering the crowdfunding approach and offers knowledge and recommendations so as to avoid what can be naïve and costly mistakes. The findings highlight that crowdfunding should not be considered lightly and can be a considerable investment of resources to be successful.

Originality/Value – The analysis of crowdfunding campaigns provides details on the significant predictors of crowdfunding success particularly relevant to creative campaigns. The findings provide a critique of previous claims about the benefit of crowdfunding for creative SMEs.

Introduction

Small to medium sized enterprises (SMEs) within the creative industries have a critical role to play in UK economic growth. In the UK 84% of creative companies employ fewer than 10 people, yet the industry as a whole accounts for 1.5 million jobs and 10.6% of the UK's export earnings, making it the third highest contributing industry (Skillset, 2012). Despite their economic importance, such SMEs struggle to access resources (Tucker and Lean 2003; Hussain *et al.*, 2006; Boyles, 2011), making it difficult for them to bring original content to market (De Buysere *et al.*, 2012; Kenny and Broughton, 2012), and forcing them to focus on immediate commercial imperatives rather than creativity (Powell and Ennis, 2007). These structural problems have been worsened by the 2008 financial crisis that led to more conservative attitudes from banks regarding SMEs (De Buysere *et al.*, 2012). One result is that the 'crowd' has become regarded as a valuable source of surplus energy (Howe, 2008; Brabham, 2008) and in the form of 'crowdfunding' a potential new source of finance (Belleflamme *et al.*, 2012; De Buysere *et al.*, 2012).

Aims

This paper considers what makes crowdfunding successful, focusing on film campaigns as representative of the creative industries, and a dominant category on crowdfunding platforms. Crowdfunding is now a significant way of funding independent film, with 10 percent of 2012's Sundance selection comprising of Kickstarter backed projects (Kickstarter, 2012a). However, with 60% of film campaigns failing (Kickstarter, 2013), we also aim to understand how small and medium sized production companies might achieve success with this approach.

Our aim is to explore the predictors that lead to a successful campaign and to investigate differences between successful and failed campaigns, but in doing so we end up questioning the long-term ability of crowdfunding platforms to aid those poorer in terms of time, financial, and personal resources, and therefore arguably in the greatest need of these platforms. Our analysis leads to a paradox: the companies that might gain most from such funding, may be the least likely in the long term to benefit from it.

We firstly review the literature on crowdfunding and include a discussion on virtual communities, as crowdfunding is a practice related to 'monetising' online

networks. Next we describe our data collection and analysis. Data is then presented to cover the key predictors of success identified. We conclude by presenting implications, both practical and theoretical as well as limitations and possibilities for future research.

Understanding Crowdfunding

Jeff Howe (2009) coined the term “Crowdsourcing” to describe the phenomenon of utilising the crowds’ surplus energy. The term defines the practice of initiating an open call (usually online) to an undefined network of people, for the provision of needed services, ideas or content. The basic premise is that the small input of many is better than the large contribution of a few (Howe, 2009). Following crowdsourcing we have witnessed the rise of crowdfunding, which utilises similar characteristics to collect small financial contributions, thus tapping the crowd’s surplus finances rather than energy (Howe, 2009).

Crowdfunding is in many ways not new. It can be seen as early as the 1700s in the concept of microfinancing, such as the Irish Loan Fund that provided credit to the country’s poor (Hollis and Sweetman, 2011). Politicians and charities also have a long history of soliciting small financial donations in ways that mirror crowdfunding. Internet based crowdfunding however, is relatively new. One of the first examples occurred in 1997 when fans of British rock group Marillion raised \$60,000 to finance a U.S. tour. Since then we have seen a wealth of start-ups, products, and original creative content come to market via crowdfunding. There are now over 450 online crowdfunding platforms (Massolution, 2012) taking contributions in different forms, including equity purchase, loans, donations or pre-orders (Belleflamme *et al.*, 2012). We therefore have a system in flux, where little is known about how best to make it work and for which types of projects, and that might be confusing and/or intimidating for the unfamiliar. SMEs in particular risk wasting their limited resources on approaches that may not work for them.

The most recognised crowdfunding model, and our concern here, is the reward-based model (Belleflamme *et al.*, 2012; Massolution, 2012), used by prominent platforms like Kickstarter. This enables campaigners to present their idea in the form of an online pitch, accompanied by tiered rewards in exchange for contributions. Campaigners then have a set period of time (usually 4-8 weeks) to meet their target

financial goal. The popularity of such platforms has been accelerated by a number of standout successes, such as OUYA, an Android powered game console that raised \$8,596,474 in a month from 63,416 backers (Kickstarter, 2012b).

Kickstarter claim that nearly half their hosted campaigns successfully meet their goal (Kickstarter, 2013), promoting the approach as low risk and highly attractive compared to other types of financing. However, for Kickstarter “serious” campaigns that raises \$10,266,845 [1] bears the same weight as “joke” campaigns that raises \$16 [2]. Further, Mollick (2012) also found that few projects deliver on time, and even OUYA faced backlash from backers after failing to deliver all consoles as promised (MacManus, 2013). Despite these caveats, our interest is in how to manage campaigns to meet financial goals.

Although the figures presented by Kickstarter suggest an attractive, almost 50:50 chance of success this likely masks very different odds for different types of project. In a previous study of *Kickstarter* Mollick (2012) uses data from nearly 47,000 projects of all types to identify determinants of success, with project quality and size of networks shown as key factors. However, these may seem of limited value to potential campaigners who might already assume that a good project and lots of “fans” would be beneficial, yet lack knowledge of the complexities of what might work for their specific campaign. So whilst our study also proposes an analysis of Kickstarter data, we aim to review campaigns in more detail. Mollick’s (2012) study for example, uses the mere presence of video in a campaign pitch to determine higher quality. However, this disregards the quality of the video and ignores other possible quality signals. We also specifically focus on filmmaking campaigns, recognising that by narrowing the focus, characteristics unique to each category may be identified.

Crowdfunding and network management

In comparison to other sources of funding, crowdfunding is said to generate small amounts of capital and as such contributions tend to stem from a campaigners family and friends (Mollick, 2012), or what is known as the First Degree Network (RocketHub, 2011). Recently however we have seen campaigners targeting larger amounts of capital, requiring campaigners to utilise wider networks, defined as the Second (friends of friends) and Third (strangers) Degree Networks (RocketHub,

2011). This combination of networks is akin to the balanced composition of strong and weak ties in a start-up's social capital that is argued to aid its innovation and performance (Pirolo and Presutti, 2010) and so represents a key factor in gaining financial support. The transition through networks is also similar to how financing (Hussain *et al.*, 2006) and advice (Peltier and Naidu, 2012) are obtained through an SME lifecycle. In early stages SMEs rely heavily more on immediate networks (friends and family) before transitioning to external sources as the firm ages. Thus we may argue that newer companies are likely to find accessing the wider networks more difficult.

Transition through networks in crowdfunding is identified by Ordanini *et al.* (2011) and modelled as a three-stage process. Phase one is described as "*friend funding*" where there is an initial quick flow of investment from those directly connected to the campaign. Friend funding therefore stems predominately from first-degree networks, where the trust of personal connections accelerates initial funding. The second phase is described as "*getting the crowd*" and is argued to be the most challenging phase, where the responsibility is on the campaigner to move visibility beyond the First Degree Network, or risk stagnation. For campaigns that are able to maintain momentum a third funding phase begins, described as the "*Race to be in*". This occurs when individuals with no original connection to the campaign see the project is close to reaching its goal and are motivated by a fear of missing out.

Kuppuswamy and Bayus (2013) find a similar funding pattern in their study, arguing that crowdfunding campaigns suffer from a bystander effect, where a drop in support follows initial excitement as backers assume others will provide the support. Bystander effect, they argue, is somewhat counteracted by a deadline effect as a campaign nears its the end, but they still advocate that campaigners must work to overcome stagnation in the middle phase. An implication here is the need to manage this temporal process throughout the campaign.

Existing crowdfunding literature therefore focuses on and argues for the importance of social networks and their management (Mollick 2012; Hui *et al.*, 2013), which is also echoed by findings in the entrepreneurial literature (Molina-Morales and Martinez-Fernandez, 2010; Durkin and McGowan 2013; Sigmund *et al.*, 2013). Thus, in crowdfunding the engagement of a 'community' is seen as vital,

although details about the form of engagement remain unelaborated. For SMEs however engagement can prove difficult due to resource poverty, which means their execution of, and ability to manage social networks is haphazard and informal (Gilmore *et al.*, 2001; Franco *et al.*, 2014), and lacks purpose (Durkin and McGowan, 2013). This may then lead to their ability to reach sufficient networks being reduced.

Existing literature on community marketing is consistent with that of crowdfunding here, suggesting that by allowing consumers to connect with others, producers can develop trust and loyalty (Aurora 2009), particularly when the community maintains shared interests and passions (Cova and Cova 2002; Keller and Lehmann 2009). The loyalty this drives is then argued to enable producers to command a premium price (Ancarani 2002; Verhoef *et al.* 2009).

However, the relationships that form successful communities are ones that are built over time, rather than through one off encounters (Bowden 2008; Gambetti *et al.* 2012). Multiple encounters with a producer builds trust and knowledge required to determine value in a goal object (Bowden 2008). Therefore, we can see a need for pre-existing audience engagement in order for a crowdfunding campaign to successfully motivate a willingness to pay. Again, this may lead to those with greater resources and an already established audience being better positioned to gain from crowdfunding.

However, Kozinets (1999) further notes that consumers may not be loyal to a particular community or producer, but to a form of consumption itself. For example a consumer may have a series of ‘casual’ relationships with a different film producers, which combine to form a larger relationship with independent film consumption. These smaller relationships then enable them to identify and communicate with likeminded individuals in a community of independent film fans. This means producers *may* be able circumvent the need for a pre-existing audience who are specifically interested in their work by targeting consumers engaged in their particular niche with an appropriately interesting campaign.

Crowdfunding and campaign management

It seems clear that the management of the campaign is therefore also important. For example, Agrawal *et al.* (2011) suggest that understanding both the mechanisms of crowdfunding and how to reach networks are key to crowdfunding success. However, effective knowledge of online mechanisms is missed (or possibly assumed) by many campaigners and a recent study suggests that the time and commitment required is often underestimated (Hui *et al.*, 2013). This is encapsulated by the crowdfunding approach being misunderstood as “free” (Buysere *et al.*, 2012), and perhaps part of a broader ‘utopian’ view of the power of crowds (for example see Surowiecki, 2005). However, Hui *et al.* (2013) warn against this perception arguing that a campaign is a one to two year process, during which campaigners are often overwhelmed by the various commitments involved that are often outside their area of expertise including publicist, accountant, project manager, and engineer. Crowds can’t simply be expected to pick up on good ideas on their own.

Other studies confirm the complexity of campaigns. Research from entrepreneurial literature (Cardon *et al.*, 2009; Payne *et al.*, 2009) suggests that domain expertise and track record are important criteria in investment decisions as they help develop trust in the entrepreneur’s capabilities. Providing evidence of a track record can however be difficult for SMEs, who may be new to market and so lack the content precedence evidence that is required to access resources (Tucker and Lean, 2003). Thus, first time projects may be more difficult to fund than those from experienced filmmakers.

Chen *et al.* (2009) further argue that the preparedness of entrepreneurs can positively impact funding decisions by presenting higher impressions of quality. Alongside preparedness, ‘passion’ helps potential investors gain a more positive impression (Elsbach and Kramer 2003; Cardon *et al.*, 2009). Here we see funders considering the people behind the project when the project itself remains ambiguous. Preparedness and passion towards the idea are also argued to be important traits required in order to successfully carry out new ventures (Alstete, 2008). Campaigns that provide more updates may also raise greater sums of money (Labovitz, 2010) and updates are seen as an important part of campaign management (Kuppuswamy and Bayus, 2013; Xu *et al.*, 2014). So skill in managing a campaign and a commitment to it are recognised as necessary.

Finally here, Belleflamme *et al.*, (2013) highlight the exchange nature of Crowdfunding. Rather than a “free” donation, the practice usually involves making specific offers of goods and services in addition to the project offered, in return for funds. In addition, Gerber *et al.* (2012) also suggest that backers are discerning when it comes to judgements of rewards in crowdfunding activity. From interviews they identify “getting” and “buying” as words used by backers to describe their transactions, leading them to suggest crowdfunding is motivated by consumer as well as philanthropic behaviour. From a campaigner perspective, offering value may seem difficult, as the overarching need is to profit from the rewards in order to have remaining funds to meet the projects purpose and again we see the range of skills required to manage a campaign.

Our review presents something like the accepted conceptual basis for crowdfunding as recognised in specific research and broader discourse on online communities and SME funding issues. Hype and enthusiasm about the potential of crowdfunding may under-emphasise resource costs for the time and effort involved, including previous experience and enthusiasm, and skills that include the management of content, and of developing attractive rewards. The exact nature of both campaign and network management issues remains unclear and so becomes our focus here. From an SME crowdfunding project may push their workload possibly beyond the limits of their resources, something that the use of crowdfunding is supposedly attempting to circumvent. Thus, we recognise another potential reason for failure to deliver is the need for SMEs energies to be diverted away from work and towards the crowdfunding project itself.

Methods and data analysis

Our study aims to determine significant predictors of success in crowdfunding campaigns and to investigate differences between successful and failed campaigns.

In total we analysed 100 recently ended crowdfunding campaigns ensuring a sample that represented *all* the campaigns started. To do this we equally included those that met their target financial goal (‘successful’, by Kickstarter criteria) and those that did not (‘failed’ according to Kickstarter) (Appendix 1 and 2). You may recall that approximately half of Kickstarter’s campaigns are ‘successful’, i.e., meet their target, although those targets vary greatly. Our study initially included 24

‘successful’ and 24 ‘failed’ filmmaking campaigns undertaken on Kickstarter between December 2012 and February 2013. A further 26 ‘successful’ and 26 ‘failed’ filmmaking campaigns were selected between December 3 and December 7 2013, bringing the total to 100 (50 ‘successful’ and 50 ‘failed’). The second set of campaigns was selected to ensure a sample size of 100 cases that is considered adequate for exploratory factor analysis (Fabrigar et al., 1999; Wesley et al., 2006). There is no difference in how the two datasets were collected and there were no changes to the structure of the site in that time.

The selection of the most recently ended campaigns ensured that data relating to the campaigners’ networks accurately pertained to the time the campaigns were run. Although half the campaigns started ‘fail’ (Kickstarter, 2013), Kickstarter and other crowdfunding platforms make failed projects difficult to find (Pi, 2012). Again, our selection criterion for ‘failed’ filmmaking campaign is whether the campaign has reached its target or not. Whilst Kickstarter display a browse-able directory of ‘Recently Successfully Funded’ campaigns, there is no similar function for ‘Recently Unsuccessfully Funded’ campaigns. Thus without prior knowledge or access to a failed campaign’s URL they can be difficult to view. Campaigns in this study were therefore selected from the most recently *ended* campaigns by monitoring the end of active campaigns within the “Film & Video” category; selecting an equal number of those that met and did not meet their financial target. Unlike previous studies (Mollick, 2012) we *individually* examined the available information on each campaign relating to both the available networks, and the details of the campaigns themselves.

Analysing campaign quality

Analysis of campaigns was undertaken based on, *reward quality* and *pitch quality*. Analysis criteria for *reward quality* included level of choice and the tangible and intangible value offered (Table 1). Alongside this, the rewards’ value for money, geographic vulnerability (rewards tied to a location), and influence of content precedence (for example a consideration of a rewards offering a phone call with an established versus and unknown filmmaker) were considered with ratings adjusted accordingly.

In identifying the *pitch quality* (Table 2) we looked for evidence of passion and preparedness. For passion we looked for visual cues in pitch videos along with evidence of time already invested in the project. Preparedness considered the level of detail within pitch documents to give a coherent understanding of the project and considered the following: pitch video, evidence of content precedence, descriptive text about the project, explanation of fund use, consideration of the risks involved with the project, number of project updates or impressions of quality. In both cases the criteria were independently applied to a sample of campaigns to ensure consistent application.

Discriminant analysis

All campaigns were then analysed in relation to a number of variables (Table 3). We considered the target set by the campaign organisers and the total amount raised as a result of the campaign (in \$US). This also gives us the goal percentage (Kickstarter allows campaigners to continue funding even after their goal has been reached, so this figure may exceed 100 percent). We considered the networks reached by campaigns, starting with the direct network size (DNS); a sum of those individuals directly connected to campaigners via personal social networks. We also looked at Social media connected to the campaign, including the number of “shares” on Facebook. We were then able to compare these networks with the number of campaign backers and financial goals of the campaign. We also looked at campaign search engine performance. Alongside the variables directly related to the operation of a campaign’s network management and financial issues, reward quality and pitch quality were included in the analysis.

A *discriminant function analysis* was conducted to identify predictors of success and to identify differences between successful and failed campaigns. Predictor variables included were: number of updates; search results; Facebook shares; total amount raised; number of backers; reward quality; pitch quality; number of rewards; campaign length; number of campaigners; Facebook friends; Direct Network Size, and; campaign goal. Table 4 presents descriptive statistics for successful, failed and the total set of crowdfunding campaigns. Table 5 highlights the equality of group means and provides statistical evidence of significant differences between the successful and failed campaign groups (e.g., high values of F tests and $p < 0.000$ for several predictors). While the log determinants were quite similar (successful

campaigns=119.12, failed campaigns=99.47, pooled within groups=119.26), Box's M indicated that the assumption of equality of covariance matrices was violated (Box's M=976.62, F=9.22, df1=91, df2=30100.01, p<0.000). However given that we have a large sample (n=100), this is not considered problematic (Stevens, 2009).

The discriminate function (eigenvalue=0.85, canonical correlation=0.67) revealed a high association between groups and all predictors, accounting for 46% of between group variability, although closer analysis of the structure matrix revealed the following significant predictors: pitch quality (0.58); total raised (0.56); shares (0.53); updates (0.47); backers (0.47), and; reward quality (0.33), and also poor predictors such as: search results (0.23); number of rewards (0.18); Facebook friends (0.155); DNS (0.11); campaign goal (-0.07), and; campaign length (-0.06). Group means differ significantly (Wilks' Lambda=0.54, chi-square=56.31, df=13, p<0.000). Just like factor loadings, 0.3 is seen as the cut-off between important or less important items. The sign indicates the direction of relation.

The unstandardized coefficients create the following discriminant equation:

$$\begin{aligned} \text{Discriminate function} = & (0.511 \times \text{pitch quality}) + (0.000102 \times \text{total raised}) + \\ & (0.000429 \times \text{shares}) + (0.64 \times \text{updates}) + (-0.001 \times \text{backers}) + (0.066 \times \\ & \text{reward quality}) + (0.000013 \times \text{search results}) + (-0.70 \times \text{number of rewards}) \\ & + (-0.000068 \times \text{Facebook friends}) + (-0.00000017 \times \text{direct network size}) + (- \\ & 0.000068 \times \text{campaign goal}) + (-0.02 \times \text{campaign length}) - 1.14 \end{aligned}$$

This function indicates the partial contribution of each variable to the discriminate function controlling for all other variables in the equation. Group centroids show that successful campaigns have a mean of 0.91 while failed campaigns produce a mean of -0.91. The cross validation classification showed that overall 85% of original grouped cases were correctly classified (Table 6). Pitch quality, total raised, shares, updates, backers, reward quality stand out as those that strongly predict allocation to successful or failed campaigns.

Here we see that successful crowdfunding campaigns effectively present a quality pitch, offer meaningful rewards and engage audiences throughout the campaign period. We first discuss aspects of network management in more details,

then consider how the campaign itself is managed. We focus here on the significant predictors identified in our analysis.

Network Management

Number of Backers

Unsurprisingly, ‘successful’ campaigns attracted more backers than ‘failed’ ones but it makes sense to also consider the actual target against the required number of backers. Our data suggests that the number of backers should be equal to approximately one to two percent of the target goal, thus a \$4,000 target goal would require between 40-80 backers. On average backers in relation to the target goal of successful campaigns was 1.7 percent compared to 0.4 percent for the failed. These figures may also allow us to suggest the network size required to reach a goal. Backers compared to DNS for all campaigns in this study were between 1-5 percent; therefore we can tentatively suggest a DNS of 2,400 would be required to meet the \$4000 goal. If we then look at those campaigns with target goals close to \$4,000 we can see that the failed campaigns had DNS’s under this figure while the successful campaigns were in excess (Table 7). This may suggest that the failed campaigns were over ambitious in terms of what could be achieved with their existing network and would imply that they need to build that network before committing to a campaign, or accept a lower target.

Search Results

First Degree Networks can only carry a campaign for the initial period before the Second and Third Degrees are required to reach a funding target (RocketHub, 2011; Ordanini *et al.*, 2011; Kuppuswamy and Bayus, 2013). Campaigns may therefore fail due underestimating the need for campaign marketing (Hui *et al.*, 2013). To determine the broader reach of a campaign the number of Google search returns were used. The successful campaigns search return *Mdn* = 123.5 were double the failed *Mdn* = 50.0. As well as emphasising the need to actively distribute a campaign beyond an initial circle of friends and family, these results may also allow us to suggest that the successful *campaigns* (and not just the project) were of higher quality. Blogs and news outlets are motivated by the need to offer content of value to maintain reputation and satisfy audiences (Jenkins *et al.*, 2013) and are therefore

more inclined to share high quality campaigns. Information provided by such news sources are known to influence purchase intentions (Hus *et al.* 2012).

Facebook Shares

Contribution to social networks is motivated by a need to establish identity, gain respect and publicise expertise (Shao, 2009). Thus individuals are also likely to share high quality campaigns that support these aims. The opinions of ‘ordinary’ consumers are found to be persuasive in the promotion of cultural offerings such as film and video that is discussed here (Chiou *et al.* 2014), thus it becomes important to encourage the consumers to share and recommend campaigns. Our data shows that campaigners with a strong desire to get their campaigns “out there” are likely to share it multiple times through the campaign’s duration and as a result Facebook shares for campaigns that met their goal overwhelm that of those that do not, with *Mdn* = 394 compared to *Mdn* = 75.

Total raised

In many cases successful campaigns exceed their goals, thus while total raised may appear as an obvious contributor of success, it is indicative of the factors outlined and further emphasises the importance of network management. It also helps illustrate that campaigners must balance setting goals that not only cover budgetary requirements, but that are also achievable. The *Mdn* value of the successful campaigns DNS in relation to their target goal was 46.53 percent, while the failed campaigns were only 14.87 percent, again suggesting the failed campaigns were over ambitious in terms of what their networks could achieve.

Campaign management

Pitch Quality

The filmmaking campaigns studied here are surrounded by ambiguity and uncertainty (Botti, 2000); being uncompleted entities mean potential backers can only go on ideas conveyed by the campaigner. Thus the passion and preparedness of a campaigner can help reduce uncertainty and risk by increasing the impressions of quality (Cardon *et al.*, 2009; Chen *et al.*, 2009; Payne *et al.*, 2009). From our pitch analysis we identified a number of common traits and difference amongst the campaigns.

Pitch Videos: The pitch video is becoming a common and advocated feature of crowdfunding campaigns (Rocket Hub, 2013). Pitch videos within filmmaking campaigns have a two-fold impact. Firstly they enable the campaigners to directly appeal to, and initiate relationships with their audience (Steinberg and DeMaria, 2012; RocketHub, 2013). However not every campaigner chooses to present a direct address within their pitch video. In opting not to address the audience campaigners lose the opportunity to express passion and emphasise why their creative vision must be fulfilled. From the campaigns we analysed, 15% of the failed campaigns choose not to present a direct address within the pitch video compared to 10% of the successful campaigns.

Secondly the pitch video provides space in which campaigners can present example video footage from the project or from previous work, demonstrating content precedence and so building trust in their skills as a filmmaker. This idea of content precedence is discussed next.

Evidence Of Content Precedence: Cardon *et al.* (2009) suggest that domain expertise and track record are important criteria in investment decisions as they help develop trust in the entrepreneurs capabilities. Steinberg and DeMaria (2012) also argue that within crowdfunding campaigns evidence of established work is critical for backers to determine value. As argued earlier however, providing compelling evidence of track record can be difficult for SMEs and those new to market.

Of the campaigns studied, successful campaigns provided clear evidence of their filmmaking capabilities demonstrating a strong professional or academic background. For example the “Lives In Transit” campaign run by the Global Lives Project, showed precedence with a set of 10 previous films which had achieved over 100,000 views, whilst the listed campaign founder David Evan Harris has previous precedence with institutes such as UC Berkley, Stanford, and Google.

Ambitious funding targets amongst the successful campaigns in particular were matched with more established and professional precedence and some campaigners also partnered with well-known personalities to provide extra credence. Filmmaker Aaron Lieber in his surf film campaign “Zero to Hero” for example, provides

detailed background and examples of his previous surf films, but also partners with well-known surf personality Lakey Peterson. This gives the campaign that seeks to support the filmmaker's first full-length film additional credibility and third-party certification (Agrawal *et al.*, 2013).

Content precedence for failed campaigns was more limited with a number of campaigners seeking to fund their first significant film. The campaign "Leatherbound: A Kings Gambit" for example was its creators first feature length film, yet, the campaigners offered little detail of previous experience to help build confidence in their abilities to fulfil their project. This observation may cast doubt on crowdfunding's ability to aid unknown, or upcoming talent, and suggests that crowdfunding might work once a filmmaker has already established their identity. This supports the idea that success in crowdfunding is often a long-term strategy.

Detailed Text Description: Text descriptions allow campaigners to further elaborate on their project proposal. A well thought-out pitch document shows the campaigner is well prepared and has taken time to invest in the project (Chen *et al.*, 2009). Overall we found successful campaigns provided greater detail over the failed campaigns. Those campaigns that offered the greatest detail covered all aspects of the project from story, production, cast and crew, rewards and reasons for choosing crowdfunding. Providing sufficient detail is a major element of creating trust, which is a key concept in online purchasing (Hsu *et al.* 2014). Trust directly affects the perceived risk of the transaction, relevant and up-to-date information can thus address any consumer uncertainty (Chen *et al.*, 2009; Steinberg and De Maria, 2012, Hsu *et al.* 2014).

Financial commitment is the key element of crowdfunding, thus a clear explanation of fund use becomes an important element of providing sufficient detail. Only 3 percent of successful campaigns *failed* to give an explanation of fund use, with a further 12.5 percent providing unclear explanations. This is in comparison to the failed campaigns where 11 percent gave no explanation and a further 17 percent were unclear.

Building trust and showing preparedness can also be seen in the 'Risks and Challenges', section of the pitch and our analysis found successful campaigns gave

greater consideration to this section, openly expressing concerns and potential limitations of their projects, while offering reassurance and potential solutions.

Impressions of Quality: Through our analysis we also found successful campaigns gave higher impressions of quality, both in their pitch videos and the overall consideration of the pitch document and content precedence. Whilst we understand that such claims suffer from the risks of subjectivity and bias, we also find a higher number of successful campaigns provide evidence of external endorsement, either through an ambassadorial circle or press articles. This external endorsement may back up our claims of higher quality as they provide third-party backing (Agrawal *et al.*, 2013).

Reward quality

Reward Overview: Rewards are argued to be one of the most important motivations for participating in crowdfunding (Kuppuswamy and Bayus, 2013). In filmmaking campaigns rewards typically range from a simple thank you, to more exclusive rewards like cast roles. These, and other rewards that afford the consumer some control (e.g. script feedback sessions, re-naming characters) work as they enable the backer to become a co-creator of the project. Allowing such co-creation experiences enhances the consumer's engagement and relationship, and subsequently their intention to purchase and refer others (Blasco-Arcas *et al.* 2013).

We find a common behaviour in the construction of rewards is to have each tier offer a subset of rewards as the tier levels increase. For example, a backer opting for the \$25 price tier would receive the same as a \$10 backer with one or two extra rewards to account for the additional expense. Kickstarter allows campaigners to offer rewards at any price point between \$1-10,000, however we found the following tiers were most commonly used \$10, \$25, \$50, \$100, \$250, \$500, \$1,000 and \$5,000. The most commonly backed tier level is \$25 and this is where we tend to see the introduction of tangible items, particularly DVDs. Of the 100 campaigns analysed 74 percent offered a DVD copy of the film, with the remaining 26 percent offering digital access (download/web link). Of this 74 percent, 72 percent offered DVDs between the \$25-50 tiers.

Before the \$25 tier level rewards tended to be limited to 'thank you' style rewards in various forms (e.g. via email, social media, or film credits). Other pre \$25

rewards include behind the scenes access to production material, and in a few cases (22 percent) tangible visual rewards (prints/postcards/stickers). This study found successful campaigns on average offered a greater range of rewards and provided higher quality reward offerings. We will now discuss further the findings of our reward analysis.

Content Precedence in Rewards: As well as influencing pitch quality we find content precedence may also affect reward quality. In our analysis we identified a number of campaigns (particularly failed) that offered rewards that hold little value unless the proposed creative entity becomes a success, or, the filmmaker is already established. Rewards that fall within this bracket are those such as phone/Skype calls with the creators. If the director is an established personality the appeal of such rewards increases (Steinberg and DeMaria, 2012); the opportunity for aspiring filmmakers to have a one-to-one with Spielberg has inspirational value. Yet, when the offer is \$45 for a 20 minute Skype call with a college student with little filmmaking experience we can question the rewards value.

Other rewards, which we may link to content precedence, include promotional links or sponsored credits. Such rewards are only valuable if the filmmaker can guarantee a large viewership, much like the value of an advert increases with higher exposure (Novak and Hoffman, 2000). Therefore the promotional link offered by “Mario Warfare” holds greater value over other campaigns that provide similar offers, as the campaigners can refer to viewer figures in excess of 1,000,000 based on previous content precedence.

Value for Money: By comparing the rewards offered at different tiers and observing the number of backers opting for these tiers, we believe backers may be approaching crowdfunding with a ‘shopping mentality’ as they seek out value for money in their purchase decision. This notion has also been found in previous research, Gerber *et al.* (2012) for instance suggest that backers are aware of the exchange of value when browsing campaigns. We found numerous examples of difference between the value offered by successful and failed campaigns. At the \$150 tier level for example we can observe ‘Mario Warfare’ from the successful campaigns and ‘Animal Justice League’ from the failed. At this tier ‘Mario Warfare’ offers a host of rewards; A limited edition signed poster pack, An exclusive T-shirt, Signed DVD, Signed DVD

of creators previous series, Exclusive online access to previews and behind the scenes footage and a website thank you credit. In comparison ‘Animal Justice League’ only offers a photo of the backer to appear on set in the final episode. The tangible items offered by ‘Mario Warfare’ alone have a value close to at least \$100, while the single reward offered by ‘Animal Justice League’ has no tangible value for the backer and is also subject to the campaigners previous precedence. Successful campaigns placed greater emphasis on offering “real” value to backers, with thought and creativity placed into the construction of rewards. As stated earlier rewards are one of the most important motivations for contributing towards a campaign, thus their construction should be a high priority.

Geographic Vulnerability: Another factor we identified in rewards is “Geographic Vulnerability” (GV), which we use to describe rewards constrained by location, such as set visits or cast roles. While such rewards have a unique participatory element to them, they are constrained by the backer’s locale, thus we must consider that GV potentially hampers the number of backers a tier may attract. We found both the successful and failed campaigns offered rewards hampered by GV, yet we also found the successful campaigns backed GV with tangible items and also sought to compensate for it. For example if we compare “Treasure Trapped” and “Love Demon” from the successful and failed campaigns respectively and look at the \$400 tier, we find “Treasure Trapped” compensates for GV by offering to travel to the backer (within Europe). Whilst in “Love Demon” potential backers are required to travel to the films set location. The “Zero to Hero’ campaign provides us with a further example of GV reduction. The campaign has GV present at every tier from \$100 onwards, yet helps compensate in two ways. Firstly the filmmakers have a set date and location for the GV reward (film premiere), thus potential backers know at time of purchase whether travel is feasible. Secondly the film features a famous surfing personality, thus increasing the premiere’s value when compared to campaigns where the filmmakers and actors are relatively unknown (Steinberg and DeMaria, 2012).

Updates

The updates section of a pitch allows campaigners to supply further project details and information on production progress. They also provide the impression of activity, showing the campaigners have the skill and commitment required to overcome risks

of stagnation and push the campaign forward (Kuppuswamy and Bayus, 2013; Xu *et al.*, 2014). In our study we found only 3 percent of failed campaigns provided more than 5 updates during their funding time frame, with 29 percent not providing a single update. In comparison while 13 percent of the successful campaigns also did not provide any updates, 16 percent provided 5 or more.

Conclusion and recommendations

Filmmaking campaigns are often wrapped in ambiguity and uncertainty due to the various contingencies involved in the production process, for example a product specification is easier to imagine than the creative conclusion to a film. This means that approaches to film crowdfunding may be different from other successful campaigns. Our findings demonstrate the drivers of success, relevant to the filmmaking campaigns studied here, but with possible application to crowdfunding campaigns as a whole. We have identified the significance of a range of predictors that increase the likelihood of success. Here crowdfunding is presented not as a quick fix solution to funding shortfall, but a significant investment of time and resources, which are not dissimilar to those required in traditional sources of funding that crowdfunding is proposed to circumvent. Our findings have both theoretical and practical implications that add to the existing body of crowdfunding work.

Practical Implications

For those thinking about undertaking a crowdfunding campaign there are a series of practical considerations that are shown to be predictors of a campaign's success. In order to build the trust necessary to bridge any ambiguity campaign management may be crucial to demonstrate the campaigners' capabilities and address quality uncertainty. Campaign management requires campaigners to address pitch and reward quality and ensure backers remain updated through the duration of the campaign. Pitch quality and updates provide evidence of both passion and preparedness, which aid in developing backer trust and confidence. Rewards are a key motivation for backer contribution; we find campaigners should consider the value for money, avoid or compensate GV and consider their content precedence in the construction of rewards.

We also find network management has an influence on success. Important predictors in might include number of backers, search results, social media shares

and total raised. Within network management it is crucial that campaigners not only have an established audience they can reach out too, but also the skills and resources to reach outside their initial networks and spread their campaigns within wider circles. An implication here is that network management is required well before a crowdfunding campaign is even developed. It is also important campaigners understand the sums of money achievable in relation to their networks.

While crowdfunding is becoming increasingly popular as a way to circumvent traditional routes to market, as this study shows it should be approached with caution. Crowdfunding requires a greater amount of time, resources and effort than many realise, with work required not just during, but arguably more importantly before a campaign in order to establish many of the structures and drivers identified in this research. When taking this into account we begin to question whether crowdfunding can in the long-term, provide an effective and viable alternative to more traditional forms of financing. Whilst crowdfunding will undoubtedly work for some, we argue those with an established reputation will be able to make it work with far greater ease than those without, which parallels the situation in more traditional forms of financing which crowdfunding is proposed to circumvent.

Theoretical Implications

On a theoretical level our findings lend further support to previous studies (Mollick, 2012) that identify project quality and especially network sizes as important determinants of success, as well as studies that identify crowdfunding as a considerable investment of time (Hui *et al*, 2013). However the deeper individual analysis of each campaign provides greater details about what contributes to these predicting variables and in particular we note the importance of the ‘management’ of both the network and campaign, rather than merely the size of the network or quality of the project.

With crowdfunding put forward as a practice relating to community engagement our findings also show support for the notions that pre-existing community relationships can enable producers to gain more support. In this sense crowdfunding might usefully be seen as a community activity where once established, engagement with a community may be leveraged to acquire funds, but where previous studies may fail to account for the time required to build such community support.

We also highlight the influence of Geographic Vulnerability and Content Precedence in the construction of crowdfunding rewards, which to our knowledge are not previously identified. More importantly we recognise the importance of value in crowdfunding rewards more generally. Here we see that despite claims of an altruistic motivation, reward quality is a significant predictor in gaining support. A problem here is that rewards must be paid for out of the finances raised, reducing the amount left to complete projects. Further, more established filmmakers may be able to offer better intangible rewards (personalisation or audience related, for example) allowing them to retain more finance for production.

Together these observations allow us to question the ability of crowdfunding to significantly aid upcoming or unknown filmmaking talent (one basis of its promotion). Establishing each of the outlined factors requires resources, (in terms of time, finances and skilled personnel) over a sustained period, which individuals and SMEs face a continued struggle to provide (Boyles, 2011). Thus crowdfunding can be argued to succumb to the Matthew Effect (Mollick, 2012), where those who are already richer both in terms of identity, resources and social capital are able to benefit with greater ease. As more people look towards crowdfunding and its platforms become crowded, this problem is only likely to increase, as those with greater resources are better equipped to differentiate themselves and stand out. Thus as a result those with a higher need for such platforms and fundraising practices may suffer.

Limitations and Future Studies

The data analysed within this study is relatively small and thus future work may consider testing the insight presented against a larger number of campaigns, which would also allow consideration of the differences that occur between the 'Film & Video' subcategories and genres. To our knowledge this is the first paper that analyses campaigns specifically related to filmmaking categories upon reward-based platforms. This study is however, also limited in its focus on 'Film & Video' campaigns, future studies may seek to investigate whether the predictors variables presented here are apparent in other categories or whether different predictors better highlight the differences between successful and failed campaigns. With the increasing prominence of crowdfunding this study is particularly timely in order to provide practitioners insight, so as to avoid what can be naïve and costly mistakes.

Notes

1. E-Paper Watch, the most funded *Kickstarter* campaign ever raised \$10,266,845 from 68,929 backers. Accessed 30 January 2013.
<http://www.kickstarter.com/projects/597507018/pebble-e-paper-watch-for-iphone-and-android?ref=most-funded>
2. A Campaign to raise funds for a pack of guitar stings. Given the affordability of the target goal, the campaign becomes a questionable use of *Kickstarter*. Accessed 30 January 2013
<http://www.kickstarter.com/projects/354898629/no-strings-attached-get-it>

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Tables

Table 1.
Reward Analysis Ratings

Rating	Definition
<i>1</i>	Few rewards offered providing limited options for the backer
<i>2</i>	Small range of rewards, yet those rewards offered lacked any tangible value to the backer (a simple thank you, digital downloads/access and film credits).
<i>3</i>	Good range of rewards offered, including a number of tangible gifts. For example physical DVDs or Film Posters.
<i>4</i>	Good range of rewards offered including a number of tangible gifts. For example physical DVDs or Film Posters. In addition to this a number of unique rewards were offered such as cast roles or props from the film.
<i>5</i>	Excellent range of awards offered, with items available, which provided tangible value, such as DVD's or film posters. In addition to this a number of unique rewards were offered such as cast roles or props from the film.

Table 2.
Pitch Analysis Ratings

Rating	Attributes
<i>1</i>	Lack of passion demonstrated. Pitch description limited in detail.
<i>2</i>	Limited amount of passion evident. Pitch description provides a good understanding of the project
<i>3</i>	Pitch description goes into detail about the project. There is evidence of passion from the project
<i>4</i>	Pitch description is substantial and coherent and provides the reader with an understanding of both the project and campaigners. Passion for the project is demonstrated
<i>5</i>	There is a high level of detail within the pitch document giving the reader a clear and coherent understanding of the project and the campaigners. The campaigner has demonstrated clear evidence of their passion for the project.

Table 3.
Description of variables related to campaigns

Variable	Variable Description	
<i>Operation of Campaign</i>	<i>Number of rewards</i>	Total number of rewards listed in exchange for the backers contributions.
	<i>Updates</i>	The number of updates the campaigners provided on Kickstarter.
	<i>Campaign Length</i>	Number of days the campaign was run for.
	<i>Number of Campaigners</i>	Number of individuals who were connected to the campaign and its promotion (e.g Cast & Crew).
<i>Network Management</i>	<i>Facebook Friends</i>	Number of Facebook friends on the account linked to the campaign.
	<i>Direct Network Size</i>	Number of individuals within the campaigners direct networks (receive first hand campaigner information). These figures were determined from the connections to the campaigners and any campaign related pages on Facebook and Twitter.
	<i>Search Results</i>	Amount of search results returned by Google about the campaign. Determined by using the following search term “TITLE” “AUTHOR” “KICKSTARTER”
	<i>Facebook Shares</i>	Number of times the campaign page was shared to Facebook.
<i>Financial Issues</i>	<i>Campaign Goal</i>	The desired target goal set by the campaigners.
	<i>Total Raised</i>	The final amount of money raised over the course of the campaign. All campaigns were measured in American Dollars.
	<i>Backers</i>	Number of individuals who contributed towards the campaign.
<i>Quality of Campaign</i>	<i>Reward Quality</i>	Reward quality was judged through a consideration of the depth, value, tangibility and geographic vulnerability of rewards.
	<i>Pitch Quality</i>	Following on from entrepreneurial literature (Chen et, al. 2009) passion and preparedness were considered to judge pitch quality. .

Table 4.
Mean Scores and Standard Deviation for Successful and Failed Campaigns

Variable	All selected campaigns (n=100)		Successful campaigns (n=50)		Failed campaigns (n=50)	
	Mean	Std. Dv.	Mean	Std. Dv.	Mean	Std. Dv.
	<i>Rewards</i>	9.41	4.37	10.14	4.41	8.68
<i>Updates</i>	2.59	3.00	3.80	3.39	1.38	1.94
<i>Campaign Length</i>	31.86	10.17	31.26	10.67	32.46	9.71
<i>Campaigners</i>	2.81	2.63	3.08	2.36	2.54	2.87
<i>Facebook Friends</i>	455.22	524.94	529.30	546.61	381.14	496.75
<i>Direct Network Size</i>	20194.40	166793.251	37760.94	2.35	2627.86	4725.40
<i>Search Results</i>	1529.40	6254.85	2823.54	8668.97	235.26	689.81
<i>Facebook Shares</i>	400.68	581.62	655.06	700.67	146.30	245.93
<i>Campaign Goal</i>	111125.74	13537.59	10166.46	11154.90	12085.02	15619.31
<i>Total Raised</i>	7250.51	11014.94	12343.84	13163.89	2157.18	4347.77
<i>Backers</i>	78.00	145.87	136.04	187.59	19.96	30.40
<i>Reward Quality</i>	3.61	1.06	3.92	0.98	3.30	1.05
<i>Pitch Quality</i>	3.51	1.12	4.05	1.07	2.98	0.91

Table 5.
Tests of Equality of Group Means

Variable	Wilks' Lamdba	F	Sig.
Total raised	0.78	26.99	0.000
Backers	0.84	18.65	0.000
Search Results	0.95	4.42	0.038
Facebook shares	0.80	23.47	0.000
Pitch quality	0.77	28.73	0.000
Reward quality	0.91	9.21	0.003
Updates	0.83	19.13	0.000
Rewards	0.97	2.83	0.095
Campaign length	0.99	0.34	0.558
Campaigners	0.98	1.05	0.308
Direct network size	0.98	1.11	0.295
Campaign goal	0.99	0.50	0.481
Facebook Friends	0.98	2.01	0.159

Table 6.
Classification Results

		Group	Predicted group membership		Total
			Successful	Failed	
Original	Count	Successful	41	9	50
		Failed	6	44	50
	%	Successful	82	18	100
		Failed	12	88	100
Cross validated	Count	Successful	40	10	50
		Failed	6	44	50
	%	Successful	80	20	100
		Failed	12	88	100

85% of original grouped cases correctly classified

84% of cross-validated cases correctly classified

Table 7.
Target Goal/DNS Comparison

Campaign	Target Goal	Amount Raised	DNS
<i>Successful</i>			
<i>Don't Move</i>	\$4,000	\$5,000	8,584
<i>The Meter Man of Le Moutrechon</i>	\$4,000	\$5,636	9,098
<i>Girls Blood</i>	\$4,000	\$4,258	5,314
<i>The Sneaky Boa Brothers</i>	\$4,500	\$7,415	2,915
<i>Family Owned and Operated</i>	\$4,600	\$6,470	3,154
<i>Luska Markets</i>	\$3,194	\$3,558	12,423
<i>Failed</i>			
<i>My Only Son</i>	\$4,000	\$900	1,624
<i>I never talk to strangers</i>	\$4,800	\$899.2	1,866
<i>A Guide to Becoming a Celebrity</i>	\$4,921	\$16	450
<i>Citizen First Responders</i>	\$4,800	\$370	192
<i>The Boss Lady</i>	\$4,887	\$229.7	162

Appendix 1.

Overview of Successful Campaigns

Campaign Name	Total Raised (\$)	Campaign Goal (\$)	No. Backers	No. Rewards	Reward Quality	Updates	Campaign Length	Pitch Quality	Facebook Friends	Direct Network Size	Search Results	Facebook Shares	No. Campaigners
<i>Mario Warfare - Lets Finish This</i>	38,647	20,000	834	19	5.0	8	30	5.0		17,304	18,600	1960	5
<i>Don't Move</i>	5,000	4,000	71	11	5.0	3	30	5.0	238	8,584	2,300	85	2
<i>The Caretaker</i>	2,759	2,500	52	8	4.0	1	30	5.0	858	1203	44	175	2
<i>A Foundation Workshop Documentary</i>	2,400	2,000	34	8	4.0	3	30	4.0	488	1,581	48	221	4
<i>Rostdam in Wonderland</i>	10,259	10,000	130	5	3.0	6	60	3.0	729	10,142	883	2	2
<i>Making Magic</i>	7,061	6,000	79	7	4.0	1	30	3.0	879	2,569	73	796	3
<i>Zero to 100</i>	26,301	25,000	153	11	5.0	8	35	4.0	2128	17805	10,400	362	2
<i>Clouds</i>	34,123	25,000	765	12	5.0	3	41	5.0	737	3082	51,000	2070	2
<i>Lives in Transit</i>	35,126	25,000	379	10	4.0	7	33	4.5	1906	5,220	30,400	1623	2
<i>3.11: Surviving Japan</i>	1,379	1,000	26	13	3.0	3	21	2.5	1540	2,739	94	468	1
<i>Immediately Afterlife</i>	53,253	50,000	430	18	5.0	4	54	4.0		1,670,732	1,090	2205	4
<i>Impulse</i>	6,848	6,400	82	7	3.0	4	40	4.5	561	839	105	233	7

<i>Becoming Ricardo</i>	7,517	7,000	63	7	4.0	2	60	4.0		2,437	244	853	4
<i>Holding on to the Barre</i>	20,328	20,000	69	11	4.0	0	32	5.0		2,300	1,510	482	6
<i>The Meter Man of Le Moutrechon</i>	5,636	4,000	39	4	4.0	0	30	4.5	209	9,098	39	37	2
<i>Girl's Blood</i>	4,258	4,000	80	9	4.0	9	30	4.5	962	5314	124	426	1
<i>Last in the Meadow</i>	1,810	1,500	40	10	4.0	2	45	5.0		425	4,500	327	1
<i>The Horizon Project</i>	11,521	10,110	85	17	5.0	7	31	5.0	643	3,633	242	574	3
<i>Ruthless</i>	801.6	400	10	5	3.0	0	31	2.0	469	1039	52	52	2
<i>Treasure Trapped</i>	8862.4	8000	116	16	5.0	6	30	4.5	247	2319	476	581	3
<i>This Is Congo</i>	30,518	30,000	184	11	5.0	8	31	5.0	1200	8529	749	2314	7
<i>The Sneaky Boa Brothers</i>	7415	4500	152	8	5.0	5	31	5.0	761	2915	90	1089	2
<i>Star Wars meets Dragon Ball Z</i>	205	200	2	6	3.0	0	14	1.0	590	926	61	18	1
<i>My Big Bad Wolf</i>	5550	5500	107	10	3.0	11	35	4.5		2605	1,250	1203	1
<i>IRIS</i>	2,500	2,500	29	10	4.0	0	21	3.0		2162	54	116	4
<i>NOW WHAT? A Webseries</i>	16,047	11,000	106	6	4.0	0	21	5.0		738	20	128	2
<i>Delicacy</i>	1068	819	18	11	4.0	0	21	5.0	281	895	56	97	2
<i>Namour</i>	26,275	25,000	327	11	5.0	2	28	5.0	478	1258	1,350	1298	1

<i>Bali Life Orphanage</i>														
<i>Documentary</i>	5,655	5,000	20	10	4.0	2	30	5.0	577	2069	48	133	2	
<i>With The Homies</i>	590	400	22	3	1.0	0	51	2.0		300	10	42	1	
<i>Mommy's Box</i>	25,526	25,000	89	18	5.0	10	30	5.0	512	9149	110	1055	10	
<i>Mystic Mountain</i>	30,344	30,000	72	10	5.0	2	30	4.0	164	283	46	665	1	
<i>Teddy</i>	1,500	1,500	23	7	3.0	0	30	2.0		392	8	70	2	
<i>Silencing The Thunder</i>	2,104	2,000	38	8	4.0	0	30	4.0	391	391	70	847	1	
<i>Waterfalls</i>	1,901	1,000	73	8	4.0	4	8	4.5		17293	261	275	2	
<i>Remain Unseen</i>	1,258	1,200	24	9	4.0	3	14	4.0	831	2746	61	239	3	
<i>Right Side / Blind Side</i>	10,103	10,000	176	25	5.0	1	30	4.0	1504	5350	497	837	10	
<i>Freeze! Try Again</i>	5,924	5,000	79	18	5.0	10	24	4.5	427	1163	80	152	2	
<i>Pier Kids</i>	43,050	30,000	751	13	4.0	9	30	5.0	1300	5532	7670	2713	3	
<i>Family Owned and Operated</i>	6,470	4,600	58	9	4.0	3	30	5.0		3154	48	208	7	
<i>This is Where we Live</i>	17,985	15,000	100	11	4.0	0	25	4.0		2337	636	528	3	
<i>Neuro.tv</i>	27,135	25,000	174	13	5.0	2	30	4.5	503	19090	740	539	2	
<i>A rock and a hard place</i>	25,275	20,000	173	15	4.0	6	30	3.0	379	2132	123	2144	7	
<i>On Set</i>	3,150	3,000	35	6	2.0	2	25	1.0	312	348	29	250	1	

<i>Buck's Rock Documentary</i>	17,311	5,000	201	10	4.0	4	30	3.0	651	969	43	596	1
<i>The Cockups</i>	1,501	1,500	21	5	3.0	11	30	4.0		2316	61	87	8
<i>Lusaka Markets</i>	3,558	3,194	31	5	1.0	6	20	3.5	401	12423	298	204	4
<i>Marza</i>	5,176	5,000	47	8	3.0	7	24	4.0	1806	2285	914	903	1
<i>Catwoman Fan Film</i>	2,075	1,500	62	8	3.0	0	29	4.0		9030	2060	146	4
<i>Sailing on a shoestring</i>	6133	2000	71	7	3.0	5	58	5.0	803	902	1510	325	1

Appendix 2.
Overview of Failed Campaigns

Campaign Name	Total Raised (\$)	Campaign Goal (\$)	No. Backers	No. Rewards	Reward Quality	Updates	Campaign Length	Pitch Quality	Facebook Friends	Direct Network Size	Search Results	Facebook Shares	No. Campaigners
<i>Van Nuys 2013</i>	515.0	3000.0	12.0	9.0	4.0	3	30	4.0	205.0	257.0	45.0	44.0	1
<i>Look Alike</i>	280.0	2000.0	5.0	7.0	3.0	6	45	2.5	1050.0	1134.0	149.0	71.0	1
<i>My Only Son</i>	900.0	4000.0	14.0	4.0	2.0	1	25	2.5	1277.0	1624.0	61.0	89.0	1
<i>Gap Year</i>	2210.0	6000.0	14.0	14.0	4.0	0	35	3.5		1143.0	27.0	9.0	1
<i>The Very Awkward Life of Alex Schwartz</i>	2134.0	15000.0	58.0	8.0	4.0	1	45	3.0	839.0	5085.0	1090.0	136.0	2
<i>Collage</i>	50.0	500.0	2.0	13.0	3.0	0	30	3.0		639.0	52.0	2.0	2
<i>Animal Justice League, Episode II</i>	371.0	2500.0	7.0	5.0	2.0	0	47	2.5		6411.0	1030.0	18.0	3
<i>Next Time On</i>	110.0	750.0	8.0	5.0	2.0	0	30	2.5		625.0	45.0	12.0	2
<i>A Spy In The House of Love</i>	17263.0	30000.0	36.0	11.0	4.0	3	40	3.5	1236.0	1443.0	1930.0	513.0	1
<i>Cut Your Teeth</i>	746.0	5000.0	9.0	10.0	3.0	1	30	3.0		3050.0	205.0	4.0	1
<i>Coffee To Go</i>	1696.0	5700.0	35.0	6.0	2.0	1	22	2.5	485.0	2023.0	55.0	103.0	2
<i>El Salto: Tales from the</i>	3643.0	10000.0	25.0	6.0	3.0	0	31	3.5		1099.0	66.0	248.0	2

<i>Tooth</i>													
<i>Plane Boat</i>	1213.0	5775.0	12.0	8.0	4.0	0	32	3.0	253.0	1839.0	56.0	124.0	1
<i>Leatherbound: A King's Gambit</i>	21401.0	50000.0	46.0	9.0	4.0	7	57	3.0	154.0	1356.0	64.0	165.0	6
<i>The End War</i>	66.0	500.0	4.0	3.0	1.0	0	11	2.0		408.0	51.0	1.0	1
<i>Zombie Love Film</i>	2700.0	7500.0	37.0	8.0	4.0	0	45	2.0		9928.0	93.0	264.0	9
<i>A Self-Made Man</i>	5342.0	12000.0	59.0	9.0	3.0	2	45	4.0		932.0	71.0	395.0	2
<i>Wake</i>	1175.0	3000.0	12.0	7.0	4.0	2	21	2.0	307.0	317.0	7.0	45.0	1
<i>I Never Talk to Strangers</i>	899.2	4800.0	9.0	6.0	2.0	1	25	4.0	973.0	1866.0	48.0	99.0	5
<i>Part-Timers</i>	820.0	7000.0	24.0	9.0	4.0	4	24	2.5	447.0	511.0	76.0	121.0	1
<i>The Co-Op Krew</i>	560.0	1250.0	5.0	6.0	3.0	0	30	2.0		1368.0	23.0	1.0	2
<i>Carnival of the Harvest Moon</i>	560.0	3275.0	10.0	7.0	4.0	4	28	4.0	182.0	202.0	63.0	66.0	1
<i>The Animated Freethought Project</i>	1775.0	2800.0	61.0	9.0	4.0	1	40	3.0	529.0	2274.0	105.0	156.0	3
<i>Love Demon</i>	147.2	1120.0	4.0	5.0	3.0	3	25	3.0	300.0	346.0	67.0	60.0	1
<i>A Story in Black and White</i>	1970.0	14000.0	18.0	5.0	2.0	3	28	2.5	58.0	1970.0	28.0	94.0	7
<i>The Great 48</i>	1603.0	67800.0	15.0	14.0	4.0	0	30	4.5		6545.0	49.0	217.0	8

<i>Open Mic</i>	275.0	1000.0	2.0	7.0	3.0	0	30	3.0		51.0	7.0	25.0	2
<i>Documental de Chamalu</i>	313.0	10000.0	9.0	10.0	5.0	0	60	2.0			8.0	107.0	1
<i>The battle is really only half of the battle</i>	10.0	5000.0	1.0	6.0	3.0	0	30	2.0	499.0	583.0	6.0	110.0	1
<i>A Guide to Becoming a Celebrity</i>	16.0	4921.0	1.0	8.0	3.0	0	30	2.0	369.0	450.0	6.0	1.0	1
<i>Petrified</i>	891.0	9999.0	57.0	27.0	5.0	4	35	5.0	299.0	9184.0	84.0	1498.0	15
<i>The Last Day</i>	457.0	16000.0	9.0	7.0	4.0	0	34	3.0	647.0	1432.0	80.0	104.0	2
<i>The Rise</i>	2200.0	25000.0	19.0	15.0	5.0	0	30	4.0		1527.0	267.0	701.0	2
<i>Bitter & Sweet</i>	2410.0	5000.0	19.0	8.0	3.0	1	30	4.0		2063.0	38.0	63.0	1
<i>Community Served</i>	3333.0	15000.0	26.0	15.0	4.0	3	30	4.0	1460.0	2350.0	77.0	117.0	3
<i>The Perverted Alien</i>	10.0	100.0	1.0	1.0	1.0	0	30	1.0	894.0	2269.0	7.0	6.0	1
<i>We That Are Left</i>	2051.0	9774.0	9.0	10.0	4.0	3	30	3.0	115.0	115.0	24.0	12.0	1
<i>Werewolf Movie Project</i>	1160.0	75000.0	4.0	11.0	3.0	0	28	1.5		2560.0	7.0	11.0	1
<i>Hollyweird</i>	824.0	15000.0	5.0	8.0	3.0	0	34	2.5	287.0	340.0	7.0	64.0	1
<i>Rise, Fall and Recreation of Detroit</i>	0.0	25000.0	0.0	3.0	1.0	0	15	1.5	122.0	127.0	6.0	0.0	1
<i>Beautiful Tree, Severed</i>	54.0	15000.0	2.0	10.0	4.0	0	23	4.0	2432.0	2852.0	23.0	9.0	1

<i>Roots</i>													
<i>Iced 2014</i>	50.0	3000.0	2.0	6.0	3.0	2	34	2.5	848.0	1173.0	60.0	27.0	1
<i>Bullied</i>	551.0	2500.0	4.0	7.0	3.0	0	30	2.0	381.0	435.0	6.0	22.0	1
<i>Sound The Alarm</i>	421.0	30000.0	14.0	15.0	5.0	0	30	4.5	779.0	2038.0	10.0	302.0	11
<i>Citizen First Responders</i>	370.0	4800.0	15.0	8.0	3.0	1	30	3.0	178.0	192.0	5.0	33.0	1
<i>The Boss Lady</i>	229.7	4887.0	5.0	6.0	3.0	0	30	3.0	139.0	162.0	7.0	7.0	1
<i>From Tracers to Twisters</i>	170.0	5000.0	5.0	7.0	3.0	1	28	2.5	11.0	673.0	5.0	80.0	4
<i>Penny Horrors</i>	16333.0	22000.0	195.0	12.0	5.0	8	30	4.5	974.0	21684.0	1100.0	350.0	1
<i>Non Stop to Comic Con</i>	5324.0	20000.0	46.0	16.0	5.0	3	31	4.5	210.0	24320.0	4320.0	506.0	3
<i>War Bonds</i>	257.0	15000.0	7.0	8.0	2.0	0	60	2.5	118.0	418.0	47.0	103.0	3

G. Engagement and Willingness to Pay for Short Form Animation Content Online

Abstract

Purpose - This research study seeks to explore consumers' engagement with and subsequent willingness to pay for short form animation content to see if dynamic pricing models may be best suited to derive revenue from such content.

Design/Methodology/Approach - Based on an understanding of engagement this study argues consumers' willingness to pay will differ based on their level of engagement and values sought from the consumption of animation online. To test this hypothesis an online survey was used to explore differences between consumer who work, or have a valued interest within the field of animation (insiders), and those who do not (outsiders).

Findings – The results indicate insiders have a wider range of motives and gain greater value from short form animation, and subsequently display a greater willingness to pay and pay more. However, willingness to pay is in the minority and on average for only small amounts of money. Willingness to pay is also linked to existing engagement thus showing established entities are better positioned to elicit revenue from the consumer.

Practical Implications – This study continues to highlight the struggles faced by creatives in deriving revenue from their original content in digital environments. It is shown that creative must focus on an engagement first strategy before seeking to derive revenues from audiences. While willingness to pay is in the minority, consumer perceptions towards payment models indicate dynamic pricing models may be best suited to access this willingness to pay.

Originality/Value – This study adds to our understanding of engagement and value, and also further demonstrates the links between engagement and monetisation. To my knowledge this is the first study that focuses on a consumer engagement and willingness to pay specifically for animation content online.

Introduction

This study proposes that consumers with passions and interests within the field of animation (Insiders)²⁸⁵ will demonstrate a higher engagement with, and thus a subsequent higher willingness to pay (WTP) for animated short films than consumers with less passion and interest (Outsiders). Creators of these short films may, therefore, find success in generating revenue from their works by employing a variable Pay-What-You-Want (PWYW) pricing strategy. This strategy would allow creators to answer what has previously been described as a “Fame vs. Fortune” dilemma (Shirky 2003).

Short films provide filmmakers a means of expression and a platform to prove talents for future funding or new commercial projects. They are often low or no budget affairs funded by grants, sponsors, or in-house funds, and typically produced without commercial or money-making intention. However, access to funding grants has become tougher owing to cuts to arts spending (BBC 2012, Pulver 2013), and greater competition due to more affordable means of production and self-distribution (Harrison and Barthel 2009; Jenkins et, al. 2013). Greater competition, combined with the lack of financial return, means the production of short films can often be prolonged as commercial projects that fulfil financial and other pressures take precedence (Powell and Ennis 2007).

This, alongside the changing nature of online environments, which have made online delivery more open and accessible, has led to a rise in alternate financing for creative ideas. For example, crowdfunding, a form of monetisation that harnesses online networks to solicit an open call for financial contributions, has seen a recent rise to prominence through sites such as Kickstarter. The crowdfunding model demonstrates the potential success of direct to fan financing and a consumer WTP for content that aligns with their passions and interests (Gerber, Hui, and Kuo 2012). However, crowdfunding, like more traditional funding sources, occurs prior to production and often little is done to generate revenue after the film’s release. A reason for this lack of post-production revenue seeking may be the perception that consumers are unwilling to pay for content, especially online, combined with the desire to reach a wide-ranging audience. Shirky (2003) calls this a Fame vs. Fortune

²⁸⁵ Insiders were identified as individuals who either worked in animation, created animation as a hobby, or rated the consumption of animation as important to their daily lives.

dilemma that faces creative's, arguing content can either be released for free to provide a competitive advantage that increases attention, or attempts can be made to derive fortune, but risk losing a large portion of the potential audience.

However, the success of crowdfunding, as suggested, demonstrates a consumer WTP. There are also examples of creators generating revenue despite consumers being able to obtain the content for free. In 2007, English rock band Radiohead released the album 'In Rainbows' as a PWYW digital download (Gibson 2007). Five years later the move was praised for showing that: "the idea of setting a single, one-size-fits-all price for an album was long overdue a rethink. Not just because a lot of people wanted to pay less or nothing, but because plenty of fans wanted to pay more" (NME 2012).

Thus, while many consumers display no WTP, others may value content to such an extent that their WTP is above typical market value. Radiohead, for example, had some fans pay \$99.99 for 'In Rainbows' (Walker 2008). Therefore PWYW models may help solve the Fame vs. Fortune dilemma by capturing the differences within audiences; targeting fame by leaving the transaction open for consumers to pay nothing and fortune by allowing other consumers with a WTP to contribute what they see fit.

The remainder of this study is structured as follows; I begin with a discussion of the theoretical background that this study builds from, focusing on engagement, value, and issues with pricing. Next, a methodological overview is presented. This is followed by the presentation and discussion of results, before ending with concluding arguments, study limitations and areas for future research.

Theoretical Background

Engagement

I start by discussing the relationship between engagement and value, and recognising the individual nature of both. This is important because it identifies how certain individuals are more likely to gain greater value from consumption than others. Throughout I relate this discussion to the differences between animation Insiders and Outsiders and how this may be best captured by PWYW monetisation.

Engagement is a cyclical process motivated by the consumer's desire to gain value from consumption. Turner (2010, p63) argues that we engage with "something because it is fun, pleasurable, interesting, rewarding ... we disengage when this experience becomes negative, dull and no longer fun". As long as the consumer is receiving value they are likely to remain engaged and continue to interact in the future. It is this desire to obtain value that initiates the process of engagement, beginning with involvement.

Involvement has been defined as "the perceived value of a 'goal object' that manifests as interest in that goal object" (Mittal and Lee 1989, p365). Levels of involvement are thus based on the personal relevance and importance the object provides to the consumers goals (Muncy and Hunt 1984; Kapferer and Laurent 1993). In the present context it is argued that Insiders will place higher importance on the goal object (animation) due to its greater relevance and interest, and as such they will be involved to a higher degree than Outsiders. In the process of engagement levels of involvement can influence subsequent behavioural action (Bloch and Richins 1983; Mollen and Wilson 2010). This behavioural action may be mere consumption, or more active behaviours such as engaging in word-of-mouth activity, or increased WTP. The greater the involvement the greater the subsequent behavioural action is likely to be.

Seldom does engagement occur from a consumer's first encounter with a producer, but as a process that evolves through multiple experiences (Bowden 2009; Hollebeek 2011). In singular encounters consumers' familiarise themselves, yet over time a more elaborated knowledge and frame of reference is developed (Bowden 2008). It is expected that Insiders will have greater experience with the medium of animation, thus altering their frame of reference. This may then lead them to be better suited to decipher value from the goal object, leading to a subsequent WTP.

Engagement is linked to value, as continued engagement relies on the value received to meet that sought by the consumer. Vargo and Lusch (2004; 2007) argue that the consumer is always a co-creator of value, as until an object is consumed no value can be derived. The consumer as co-creator means value determinations differ between consumers; what is valuable to some consumers may not be to others, and different consumers may place different value(s) on the same object (Zeithaml 1988;

Vargo and Lusch 2007). Value determination is also subject to change as engagement evolves or the context of consumption changes (Zeithaml 1988). With these variations in mind, PWYW strategies may be most suitable in order to account for the individual differences among consumers.

Uses and Gratification

The Uses and Gratifications (U&G) perspective provides a framework to examine the values sought from engagement and the individual differences between consumers. U&G research focuses on individual uses of media (Katz and Foulkes 1962). Like engagement and value, the perspective argues individuals have different reasons for consuming the same media. Therefore, the same media offers different meanings and consequences to individual consumers (Blumler 1979; Yee 2006; Nojima 2007).

Central to the U&G perspective is the idea that the audience is active and purposeful in their selection of media. Like variations in engagement, this audience activity is conceptualised as a dynamic and is influenced by social and psychological variables, meaning levels of activity differ not just in the consumption process, but also between consumers (Blumler 1979; Ruggiero 2000).

As argued by Levy & Windahl (1984, p74) “more active individuals not only receive higher amounts of gratification from their media use, but also that they are more affected by such active and gratifying exposure”. Based on this perspective it is proposed that Insiders will be more active in their consumption of animation due to a higher interest and a wider range of motives for its use. This will subsequently lead Insiders to be more affected by the mediums use, leading to greater behavioural actions such as WTP.

U&G of media are often grouped into typologies that describe different aspects of the medium’s use. Four categories that are often used to group media usage within the literature are ones originally identified by McQuail, Blumler and Brown (1972 cited in Katz et al. 1973) and consist of (1) diversion (e.g. escape from reality, emotional release), (2) personal relationships (e.g. companionship, social utility), (3) personal identity (e.g. establishing values) and (4) surveillance (e.g. information seeking). Gratifications have also been categorised into instrumental and ritualised use (Conway and Rubin 1991). In instrumental use the audience is more purposeful

and goal-directed, with media use seen as information gathering (e.g. surveillance and convenience). Conversely, ritualised use is less deliberate and reflects a more habitual use of media (e.g. pass time and entertainment). In the context of this study, it is expected that Insiders will have a greater breadth of motives and display a combination of instrumental and ritualised use. Outsiders, on the other hand, are expected to demonstrate a ritualised, less deliberate use. It is this combination of uses from the Insiders that is expected to see them place more value on the consumption of animation and, therefore, display a greater WTP.

Pricing Issues

Next the discussion turns to issues relating to pricing and WTP, with links drawn to the previous section on engagement. Getting consumers to pay for content online has consistently proved challenging, with a proliferation of free content providing alternate sources of gratification (Dou 2004; Priest 2008). The introduction of price creates what Szabo (1996) calls a “mental accounting barrier” and adds to the perceived risk of consumption. To overcome risk consumers undertake reduction strategies including: seeking additional information (Dowling and Staelin 1994), becoming receptive to word-of-mouth (Sheth and Parvatlyar 1995), or relying on existing engagement (Sheth and Parvatlyar 1995; Szmigin, Canning, and Reppel 2005).

Content creators with an established audience and content precedence (evidence of an existing portfolio of work, goods, or content) can overcome this risk through existing consumer relationships and reputation based on existing content. This can subsequently enable these creators to command a premium price (Ancarani 2002; Nojima 2007). However, some content creators may have little content precedence available and still be in the midst of developing relationships. For these creators, the free approach becomes attractive as it is seen as an effective way to attract eyeballs, initiate relationships and build trust (Priest 2008; Kozinets 1999).

However, a free approach creates a paradox where content is required to initiate consumer relationships, but in order to create content finance is required. Yet, without an existing relationship or content precedence, consumers display an unwillingness to pay. This can leave those new to the market, or smaller in size, falling behind established entities and larger enterprises due to resource poverty and

lack of content precedence (Boyles 2011). The lack of content precedence combined with resource poverty means new to market, or smaller enterprises may struggle to meet the demands of online environments. For these entities creating and sustaining a content stimulus online can be difficult in light of the proliferation of choice and consistent demands for content. Thus, indicating towards an increased need for skills that enable content producers to effectively build and manage audiences, as well as to produce engaging content.

Issues with pricing combined with the individual differences of consumers suggest that the pricing of some media items, like animation, may be better suited to a variable pricing strategy (Nojima 2007). Botti (2000) proposes that artistic products have distinct characteristics including abstractness, subjectivity, and uniqueness. Unlike more tangible products whose value may be determined by a specifications sheet and utilitarian properties (functional), the consumer seeks out hedonic properties (pleasure, emotion) to determine value (Holbrook and Hirschman 1982; Botti 2000). These hedonic properties are entirely subjective, making art products difficult to evaluate without prior consumption and can lead to quality uncertainty (Botti 2000; Lopes and Galletta 2006).

Quality uncertainty adds to perceived risk and requires the consumer to consider the risk reduction strategies outlined earlier. If the consumer encounters the consumption opportunity with no additional information, recommendation, or prior experience, it can be difficult to overcome uncertainty, thus reducing WTP. As stated earlier, the simplest solution may be to offer the product for free and allow the creator to build relationships with the audience.

Yet, an alternate solution may be a PWYW strategy. PWYW is a form of participative pricing that gives the consumer maximum control over the price they pay (Kim et al. 2009). Like a free approach, PWYW attracts attention by removing the payment obstacle (Chen et al. 2010). The difference being, the consumer then has the option to reciprocate value derived through consumption. PWYW models are also argued to increase purchase intent by increasing feelings of fairness (Chandan and Morwitz 2005; Kim et al. 2009). With PWYW consumers also have the option to pay during a future encounter, as whilst the consumer may initially have no WTP they may see the object differently on future interactions (Botti 2000).

The danger of the PWYW approach is that consumers can exploit the situation by paying nothing or less than market value, although, existing research indicates consumers do act fairly and pay significantly more than zero (Kim et al. 2009; Jang et al. 2012). However, these extant studies are carried out in ‘real-world’ situations (e.g. cinema, restaurants), where the personal interaction between the consumer and producer becomes a factor in PWYW intentions (Kim et al. 2009, Mak et al. 2010).

The anonymity of the Internet may reduce consumers WTP in a PWYW situation, as was the case with Radiohead’s ‘In Rainbows’, where many consumers paid nothing or pirated the album from illegitimate sources. Yet, as already discussed other consumers paid significantly more than zero and the album made more in digital sales than the band’s previous album ‘Hail to the Thief’ (Music Ally 2008). Thus, the PYWY approach retains an element of risk, with no guarantee the consumer will pay or act fairly, which can however, arguably be said of other payment methods. The ability of PWYW to allow the consumer to consume (fame) and then make value determinations (fortune) makes it of interest here.

Raju and Zhang (2010) argue successful PWYW implementations are characterised by the following: a production with low marginal costs, a fair-minded consumer, a product that can be sold credibly at a range of prices, a strong producer-consumer relationship and a competitive marketplace. Such characteristics are arguably present in short-form animation online being discussed here.

In particular, the fair-minded consumer characteristic is one that relates to the animation Insiders considered in this study; “The only ones to really appreciate champagne for itself are connoisseurs or those who are somewhat interested in wines, champagnes and good food” (Kapferer and Laurent 1993). In the context of current discussion the preceding notion may be translated to; “The only ones to really appreciate animation for itself are connoisseurs or those who are somewhat interested in film, animation and the creative arts”. In the present study, Insiders are the connoisseurs, who are expected to display a higher engagement with the animation medium and greater appreciation of the work involved in its creation. This higher engagement means they are likely to place greater value on its consumption, leading to a higher WTP.

Thus, in summary, this study proposes that due to individual differences, consumers will display different motives for the consumption of animation and subsequently differing WTP. Therefore to answer the Fame vs. Fortune dilemma creatives may find success in employing a variable PWYW monetisation strategy. This strategy can cater for the consumer's individual differences; enabling those with little prior experience to begin their process of engagement, while those with greater engagement have the ability to reciprocate value at the level they deem appropriate.

Methodology

This study explores the consumption motives and WTP of both animation Insiders and Outsiders through the use of an online survey. A focus on short-form animation as a creative medium is adopted as this study forms part of a larger research project by the author into the animation industry and consumption of animation in digital environments. Despite this focus, findings have potential relevance to other creative fields (e.g. film, music, longer-form content). Yet it is acknowledged that this focus does also bear limitations in terms of full applicability to other creative fields, as discussed in the concluding discussion.

Surveys were used as they are the predominant U&G methodology and have been validated by previous studies (Conway and Rubin 1991). U&G research also assumes that humans are sufficiently self-aware to be able to report their interests and motives (Katz, Blumler, and Gurevitch 1973). Surveys also offer benefits in terms of time and flexibility, and allowing for a wide reach of respondents to be targeted.

Despite these benefits, there are limitations to surveys including the representativeness of the sample, response rates and technical limitations (Kaye and Johnson 1999; Fricker and Schonlau 2002; Ganello and Wheaton 2004). To address these limitations, an introductory page provided a clear background to the research, description of short-form animation content, and an indication of survey length. A further limitation is the danger of respondents' answering in a manner which they perceive presents an idealised version of behaviour (Sherry et al. 2003). Thus, it should be considered that responses might not reflect how the respondent would behave in reality. For this reason, survey items include questions relating to past behaviour, as well as items concerning perceived behaviour.

Respondents were targeted via online networks and a series of reminders were offered to prompt respondents but no incentives were offered. An initial pilot study was carried out with a group of 8 respondents (4 insiders and 4 outsiders) to eliminate any unrelated or ambiguous items. Following the pilot study a number of the U&G items were removed and some questions were improved for clarity.

The online survey was divided into three sections. The first section sought to gather information about the respondents' consumption of short-form animation content. This initial section also determined the respondents' position as an Insider or Outsider, asking whether they worked within the animation field or created animation as a hobby. To further clarify their positioning respondents' were asked to rate the statement '*The Consumption of short-form animation content forms and important part of my daily life*'²⁸⁶.

The second section looked at the respondents' motives for consuming short animation online and asked respondents' to rate a series of 30 gratification items divided into Social, Information, Recognition, Entertainment, Pass Time, Convenience and Diversion. These gratification items were adapted from previous U&G studies, specifically studies on Internet (Papacharissi and Rubin 2000; Ko, Cho, and Roberts 2005; Sundar and Limperos 2013), YouTube (Harrison & Haridakis 2008), Music (Lonsdale and North 2011), Video Games (Sherry et al. 2003), and Television use (Palmgreen and Rayburn 1979; Barton 2009). These items have been validated in these studies and were deemed suitable here due to the similar online context of consumption and similar visual and creative media as the subject of consumption.

The final survey section sought to determine payment perceptions and willingness to pay for short form animation content, with questions adapted from Dou's (2004) study on WTP for online content and Ye et al. (2004) study of WTP for fee-based online services.

²⁸⁶ All rating statements were measured by a 5 point likert scale: 1 = strongly disagree / 5 = strongly agree

Results

The online survey garnered 160 responses. 52 were removed due to incomplete data leaving 108 usable responses (48 insiders, 60 outsiders). The following section provides a presentation of results and is followed by a discussion of the findings.

Consumption Habits

Details of the respondents consumption habits including hours they spent watching animation content online per week, their primary source of consumption and whether they would typically avoid a certain length of film, are presented in Table 1.

Consumption Motives

Tables 2-4 show descriptive statistics, T-Tests for significance and correlation tests from responses towards the gratification items. Factor analysis was used to test the gratification item loadings on the initial six factors (Appendix 1). Items that displayed similarity or failed to load to value greater 0.5 were removed from the final analysis. This resulted in a final set of 26 gratification items placed on 5 factors with Diversion merged with Pass Time

Willingness To Pay

Descriptive statistics relating to the respondents WTP are shown in tables 5-12. Firstly, whether respondents had previously paid to consume animation online (Table 5) and how often they felt inclined to pay (Table 6). This is followed by reasons for payment (Table 7) and non-payment (Table 8), measured through agreement with a series of statements (1 = strongly disagree / 5 = strongly agree). Next respondents were asked about their likely WTP in the presence of a simple payment method (Table 9) and how much they felt they would be willing to pay (Table 10). Finally perceptions (Table 11) and preference towards different payment methods are presented (Table 12).

Linking Engagement and Willingness to Pay

In order to identify links between engagement and WTP, correlation tests were used to discover which motives best correlated with items relating to the respondents WTP. Items that correlated with the three items relating previous payment, intention to Pay and amount inclined to pay are shown in Table 13.

Table 1: Consumption Habits

<i>How many hours a week (on average) would you say you spent watching short form animation content online?</i>			
	Overall	Insiders	Outsiders
<i>Median</i>	1.87	3.01	0.96
<i>Mean</i>	1	2	0.5
<i>Mode</i>	1	0	1
<i>SD</i>	3.02	3.15	2.59
<i>rs (with insiders)</i>	$r(108) = .593, p < .05$		
<i>t</i>	$t(108) = 3.748, p < 0.001$		
<i>Which of the following is your primary source for consuming short form animation content online?</i>			
	Overall %	Insiders %	Outsiders %
<i>YouTube</i>	57.3	34.7	75.4
<i>Vimeo</i>	30.9	63.3	8.2
<i>Other</i>	11.8	6.1	16.4
<i>rs (with insiders)</i>	$r(108) = .601, p < .05$		
<i>t</i>	$t(108) = 6.193, p < 0.001$		
<i>What length of short animation would you typically avoid when viewing online?</i>			
	Overall %	Insiders %	Outsiders %
<i>2-5 minutes</i>	6.4	8.7	4.9
<i>5+ minutes</i>	14.5	6.1	21.3
<i>10+ minutes</i>	24.5	30.6	19.7
<i>15+ minutes</i>	20.9	26.5	16.4
<i>Length not a deterrent</i>	33.6	28.6	37.7
<i>rs (with insiders)</i>	$r(108) = -.030, p > .05$		
<i>t</i>	$t(108) = -0.169, p > 0.1$		

Table 2: Descriptive Statistics for Consumption Motives

Items	Insiders		Outsiders	
	<i>M</i>	<i>SD</i>	<i>M</i>	<i>SD</i>
Social Items				
To Have Something to talk about with others	2.39	0.98	2.51	1.5
To belong to a group with the same interests as mine	2.57	1.26	1.82	1.12
As a means to connect with interest people	2.51	1.23	2.02	1.26
Because My friends Watch Them	2.04	1.12	2.39	1.48
Because a friend shared a link	3.06	1.2	3.39	1.31
Information Items				
To keep up-to-date with the animation scene	4.27	0.97	1.66	0.98
To advance my animation knowledge and skills	4.02	1.14	1.72	1.17
To gain inspiration for my own work	4.13	1.1	1.95	1.35
Because it is helpful for my career/education	3.84	1.21	1.62	1.11
To see what's out there	4.35	0.86	2.9	1.36
Recognition Items				
As a means to express my interest	2.88	1.38	1.84	1.28
To portray a particular image of myself to others	2	1.17	1.49	0.96
To gain respect & support from my peers	1.96	1.13	1.41	0.9
To build up my confidence	2.1	1.19	1.34	0.87
To promote or publicise my expertise of short form animation content	2.57	1.41	1.47	0.96
Entertainment Items				
Because it entertains me	4.33	0.85	4.31	1.06
Because it is enjoyable	4.29	0.89	4.16	1.05
To enjoy escaping into a different world	3.85	1.41	3.26	1.44
To forget about work/study	3.11	1.4	3.1	1.26
Pass Items				
When I have nothing better to do	2.96	1.37	3.36	1.32
When I am bored	2.82	1.36	3.26	1.32
Because its just a habit	2.49	1.36	1.82	1.08
I watch short form animation content when I have other things to do	3	1.32	2.21	1.27
Convenience Items				
To Access content for free	3.49	1.42	3.21	1.46
Because its easier to find new animation content	3.35	1.25	2.43	1.45
I can see short form animation content without having to go to film festivals	3.76	1.28	2.83	1.56

Table 3: Gratification item T-Tests

	Insiders	Outsiders	<i>t</i>
Items	<i>M</i>	<i>M</i>	
Social Items			
To belong to a group with the same interests as mine	2.57	1.82	$t(108) = 3.314, p < 0.001$
As a means to connect with interest people	2.51	2.02	$t(108) = 2.069, p < 0.05$
Information Items			
To keep up-to-date with the animation scene	4.27	1.66	$t(108) = 13.908, p < 0.001$
To advance my animation knowledge and skills	4.02	1.72	$t(108) = 10.301, p < 0.001$
To gain inspiration for my own work	4.13	1.95	$t(108) = 9.044, p < 0.001$
Because it is helpful for my career/education	3.84	1.62	$t(108) = 9.959, p < 0.001$
To see what's out there	4.35	2.9	$t(108) = 6.786, p < 0.001$
Recognition Items			
As a means to express my interest	2.88	1.84	$t(108) = 4.097, p < 0.001$
To portray a particular image of myself to others	2	1.49	$t(108) = 2.500, p < 0.001$
To gain respect & support from my peers	1.96	1.41	$t(108) = 2.821, p < 0.001$
To build up my confidence	2.1	1.34	$t(108) = 3.714, p < 0.001$
To promote or publicise my expertise of short form animation content	2.57	1.47	$t(108) = 4.655, p < 0.001$
Entertainment Items			
To enjoy escaping into a different world	3.85	3.26	$t(108) = 2.150, p < 0.05$
Pass Time Items			
Because its just a habit	2.49	1.82	$t(108) = 2.884, p < 0.01$
I watch short form animation content when I have other things to do	3	2.21	$t(108) = 3.175, p < 0.01$
Convenience Items			
Because its easier to find new animation content	3.35	2.43	$t(108) = 3.519, p < 0.005$
I can see short form animation content without having to go to film festivals	3.76	2.83	$t(108) = 3.313, p < 0.005$

Table 4: Positive correlations between gratification items and insiders

	<i>rs</i>
Items	
Social Items	
To belong to a group with the same interests as mine	$r(108) = .321, p < .05$
As a means to connect with interest people	$r(108) = .219, p < .05$
Information Items	
To keep up-to-date with the animation scene	$r(108) = .794, p < .05$
To advance my animation knowledge and skills	$r(108) = .696, p < .05$
To gain inspiration for my own work	$r(108) = .654, p < .05$
Because it is helpful for my career/education	$r(108) = .689, p < .05$
To see what's out there	$r(108) = .536, p < .05$
Recognition Items	
As a means to express my interest	$r(108) = .371, p < .05$
To portray a particular image of myself to others	$r(108) = .266, p < .05$
To gain respect & support from my peers	$r(108) = .311, p < .05$
To build up my confidence	$r(108) = .390, p < .05$
To promote or publicise my expertise of short form animation content	$r(108) = .433, p < .05$
Entertainment Items	
To enjoy escaping into a different world	$r(108) = .215, p < .05$
Pass Time Items	
Because its just a habit	$r(108) = .255, p < .05$
I watch short form animation content when I have other things to do	$r(108) = .297, p < .05$
Convenience Items	
Because its easier to find new animation content	$r(108) = .320, p < .05$
I can see short form animation content without having to go to film festivals	$r(108) = .292, p < .05$

Table 5: Previous payment for animation content online

Have you ever paid to consume short form animation content online?	Overall %	Insiders %	Outsiders %
Yes	14.5	26.5	4.9
No	85.5	73.5	95.1
<i>rs</i> (with insiders)	$r(108) = .305, p < .05$		
<i>t</i>	$t(108) = 3.107, p < 0.005$		

Table 6: Inclination to Pay

How often do You Feel Inclined to pay for animated short form content?	Overall %	Insiders %	Outsiders %
Never	30.9	20.4	39.3
Rarely	22.7	26.5	19.7
Sometimes	14.5	20.4	4.9
Often	0.9	0	1.6
All of the time	0	0	0
Never been given the option	33.6	32.7	34.4
<i>rs</i> (with insiders)	$r(108) = .105, p > .05$		
<i>t</i>	$t(108) = .510, p > 0.1$		

Table 7: Reasons for payment

What makes you feel inclined to pay	Insiders				Outsiders				<i>t</i>	<i>Rs (correlations with insiders)</i>
	<i>M</i>	<i>Mdn</i>	<i>Mo</i>	<i>SD</i>	<i>M</i>	<i>Mdn</i>	<i>Mo</i>	<i>SD</i>		
<i>I personally know the director(s)</i>	2.92	3	1	1.46	2.72	3	1	1.60		
<i>I've been interested in the director(s) work for sometime</i>	3.27	4	4	1.4	2.26	2	1	1.39	$t(108) = 3.755, p < 0.001$	$r(108) = .344, p < .05$
<i>I've seen previous work from the director(s)</i>	3.04	3	4	1.35	2.36	2	1	1.34	$t(108) = 2.632, p < 0.05$	$r(108) = .252, p < .05$
<i>I value short form animated content and want to aid its continued production</i>	3.12	3	4	1.20	2.16	2	1	1.28	$t(108) = 4.011, p < 0.001$	$r(108) = .370, p < .05$
<i>I feel personally moved by the content</i>	3.14	3	4	1.35	2.43	2	1	1.47	$t(108) = 2.636, p < 0.05$	$r(108) = .248, p < .05$
<i>I feel obliged to give something back</i>	2.94	3	4	1.41	2.08	2	1	1.24	$t(108) = 3.391, p < 0.005$	$r(108) = .308, p < .05$
<i>I feel it's the right thing to do (you pay for the things you get)</i>	2.61	3	3	1.11	2.20	2	1	1.25		
<i>It fulfilled my desired gratifications</i>	3.22	3	4	1.23	2.46	3	1	1.30	$t(108) = 3.147, p < 0.005$	$r(108) = .291, p < .05$

Table 8: Reasons for non-payment

What makes you not feel inclined to pay	Insiders				Outsiders				<i>t</i>	<i>rs (correlations with insiders)</i>
	<i>M</i>	<i>Mdn</i>	<i>Mo</i>	<i>SD</i>	<i>M</i>	<i>Mdn</i>	<i>Mo</i>	<i>SD</i>		
<i>Free alternative available</i>	3.61	4	4	1.30	4.07	4	5	1.18	$t(108) = -1.910, p < 0.05$	$r(108) = -.204, p < .05$
<i>Content not worth paying for</i>	3.51	4	5	1.46	3.70	4	5	1.22		
<i>No payment method available</i>	3.69	4	5	1.53	3.25	4	5	1.65		
<i>Overwhelmed by choice</i>	2.73	3	3	1.32	2.54	2	1	1.40		
<i>Content online should be free</i>	2.79	3	3	1.25	2.48	2	1	1.40		
<i>It failed to fulfill my desired gratifications</i>	3.33	4	4	1.51	3.00	3	3	1.43		
<i>Don't like giving payment details out online</i>	2.71	3	1	1.49	2.77	3	1	1.49		
<i>Do not have expendable cash</i>	3.41	4	5	1.51	3.38	4	4	1.31		

Table 9: Willingness to pay

<i>If there were a simple payment method available how likely would you be to pay for animated short form content that you enjoyed?</i>			
	Overall %	Insiders %	Outsiders %
<i>Not at all likely</i>	20.9	6.1	32.8
<i>Unlikely</i>	20.9	22.4	19.7
<i>Maybe</i>	46	53.1	41
<i>Likely</i>	11.8	18.4	6.6
<i>Very Likely</i>	0	0	0
<i>rs (with insiders)</i>	r(108) = .313, p < .05		
<i>t</i>	t(108) = 3.583, p < 0.005		

Table 10: Payment amount

<i>How much would you pay for animated short form content which you felt inclined to pay for?</i>			
	Overall £	Insiders £	Outsiders £
<i>M</i>	1.81	2.78	1.16
<i>Mdn</i>	1.5	2	0.6
<i>Mo</i>	0	2	0
<i>SD</i>	2	2.34	1.44
<i>rs</i>	r(108) = .365, p < .05		
<i>t</i>	t(108) = 2.828, p < 0.01		

Table 11: Perceptions towards payment models

	Insiders					Outsiders			
	<i>M</i>	<i>Mdn</i>	<i>Mo</i>	<i>SD</i>		<i>M</i>	<i>Mdn</i>	<i>Mo</i>	<i>SD</i>
<i>Online content should be free so I would never pay for content</i>	2.67	3	3	1.14		2.52	3	3	1.25
<i>Creators of short form content should ask their audience to pay for content</i>	2.67	3	3	1.05		2.69	3	3	1.05
<i>Creators of animated short form content should be entitled to ask their audience for financial contributions (voluntary) towards their content.</i>	3.84	4	5	1.12		3.93	4	5	1.09
<i>Advertising should fund online content</i>	3.15	3	3	1.14		3.07	3	4	1.21

Table 12: Preferred payment model

<i>If you were to pay for animated short form content, what form of payment would you prefer?</i>			
	Overall %	Insiders %	Outsiders %
<i>Advertising</i>	21.8	18.8	24.6
<i>Premium</i>	13.6	8.3	18.3
<i>PWYW (Prior Consumption)</i>	14.5	18.8	11.5
<i>PWYW (Post Consumption)</i>	50	54.2	45.9

Table 13: Willingness to pay correlations, r(108), p < .05

	Have you ever paid to consume short form animation content online?	If there were a simple payment method available, how likely would you be to pay for animated short form content that you enjoyed?	How much would you pay for animated short form content which you felt inclined to pay for.
Consumption Habits			
<i>How many hours a week would you say you spent watching short form animation content online</i>	0.219	0.305	0.339
<i>The consumption of short form animation content forms an important part of my daily life</i>	0.366	0.260	0.276
Information Items			
<i>To keep up-to-date with the animation scene</i>	0.274	0.378	0.372
<i>To advance my animation knowledge and skills</i>	0.195	0.435	0.359
<i>To see what's out there</i>	0.212	0.396	0.341
Payment Motives			
<i>I've been interested in the directors work for some time</i>	0.275	0.410	0.412
<i>I've seen previous work from the director(s)</i>	0.231	0.387	0.377
<i>I value short form animated content and want to aid its continued production</i>	0.320	0.595	0.443

Discussion

The results presented here show how different audience segments can be more highly engaged with a medium due to a differing frame of reference and broader motives for consumption. This arguably leads them to gain greater value from consumption and display a higher WTP. The following discussion elaborates on these findings with reference made to how they show support for PWYW.

Consumption Habits

Results on consumption habits (Table 1) show Insiders spend longer consuming animation, indicating a greater interest and interaction with the medium. More time spent consuming also indicates their greater experience with the medium, thus, creating a different frame of reference.

Respondents primary source of consumption also offered interesting differences; Insiders were predominantly Vimeo users, whilst Outsiders were YouTube users. The Vimeo platform differentiates itself as a niche community of like-minded, highly engaged filmmaking professionals, with a clean interface that ensures the film takes center stage (Larson 2013; Filmshortage 2013). Therefore, this difference may allow us to suggest that Insiders are the most discerning viewer.

Consumption Motives

Insiders showed greater agreement across a wider range of gratification items than Outsiders. In particular, Insiders indicated strong agreement with the information, entertainment and convenience items. In comparison, Outsider only indicated strong agreement with the entertainment items.

The strong agreement with information and convenience items shows how the Insiders are more purposeful and goal orientated. This, combined with an agreement towards entertainment items shows how instrumental use is combined with ritualised use. Outsiders, however, with strong agreement limited to entertainment items, show how their use is ritualised only.

Interestingly, the convenience item '*to access content for free*' found consensus for both Insiders and Outsiders, which may indicate towards the perception of online content being free and consumers choose online consumption for this reason.

Therefore, greater engagement may not always lead to WTP and may simply lead to consumption on a platform where an abundance of free content can fulfil their needs. Despite this finding there is evidence of WTP as discussed in the following section.

Willingness to Pay

An existing WTP for animation online is shown with just over a quarter of Insiders and a small minority of Outsiders indicating they had paid on a previous occasion. However, responses indicate that payment was not common (14.5% overall). This is echoed in subsequent questions asking how often respondents felt inclined to pay and their likelihood of paying if a payment method was available. The findings show that those with WTP are a small minority, thus, WTP is constantly competing with unwillingness from the majority of consumers. However, this may be answered by the PWYW model, which can account for both sides while still allowing consumption so creators can reach wide audiences.

Differences in WTP are also matched by differences in the amounts individuals are willing to pay. Insiders indicated a WTP almost double ($M = £2.31$) that of the Outsiders ($M = £1.21$). Thus showing the Insiders greater engagement and frame of reference in determining value. These differences are again supportive of the PWYW model, as each consumer can give based on their own value assessment. This may generate payments above what a creator may expect, and also reduce adverse risks such as consumer dissatisfaction if, for example, the consumer were to perceive less value than their cost sacrifice in a premium payment situation (Bowden 2009).

However, the overall average amount (£1.81) indicates a PWYW model is unlikely to fully compensate a filmmaker's expenditure. Thus, a PWYW model may be best employed alongside other means of revenue generation (e.g. crowdfunding pre-production and PWYW post-production). If we cautiously suggest that 1% of consumers may be active and pay in a PWYW situation, approximately 280,000 views would be needed to cover a £5,000 short film budget. Yet, this still assumes best-case scenario, and considering the consumer differences discussed here the percentage of those with a WTP may be much lower.

Payment Motives

Insiders showed greater agreement with statements relating to reasons for payment, especially motives linked to previous engagement (*'I've been interested in the director(s) work for sometime / I've seen previous work from the director'*). Prior experience with a creators work can help the consumer reduce feelings of uncertainty, as they trust the work will be of good quality based on their previous experience. There was also agreement with the statement *'I value short form animation content and want to aid its continued production'*, which continues to emphasise their position as an Insider and the higher value placed on animation.

Reasons for non-payment found consensus from both the Insiders and Outsiders, aside from the statement *'Free alternative available'*. Here, there was higher agreement from Outsiders, although, agreement was still shown by Insiders, thus, highlighting the difficulty of online monetisation when faced with a multitude of free alternatives. Consensus across the other non-payment items indicates that consumers are seeking value from consumption and will not pay if their expectations are not met. Agreement with *'Do not have expendable cash'* and *'No payment method available'* may also indicate potential WTP if they had more disposable income, or if payment methods were available.

Lack of payment options were also indicated by one-third of respondents, who when asked how often they felt inclined to pay answered: *'Never been given the option'*. This may be caused by few online video services offering payment options, or creators not wanting to charge in their desire for a large audience. Yet, this can be seen as a missed opportunity to recoup their investment if some consumers show a WTP.

Other reasons for payment or non-payment gathered from open-ended responses indicated wanting to show support for independent animation and creativity: "Mainly to support the production of quality independent animation. To support the artists. I would never pay to watch large studio produced short form online". This is indicative of the community camaraderie of fellow creative's who want to support independent creative production.

Support for Pay What You Want

Support for PWYW was found through responses towards a series of statements linked to payment methods (Table 11) and an indication of preferred payment methods (Table 12). Overall 64.5% indicated PWYW as a preferred payment method while there was also agreement that content creators should be entitled to ask for voluntary contributions towards their content. Backing for the PWYW methods shows that content creators need not be afraid to ask for audience support when it comes to seeking revenue. Those who chose to elaborate on PWYW preference reported that it would allow the contents worth to be determined by consumption, therefore reducing risk and uncertainty: “I would not pay prior to consumption unless I knew the creator. If something was recommended to me I would not pay to watch it, but if I could watch it first and then make a donation I might be willing to pay a lot if I had especially enjoyed it.”

Some even indicated that PWYW allows them want to pay more than they would have before: “Short form animations can sometimes be nothing special for me, and I wouldn’t want to support them. But then there are some masterpieces I’d be willing to pay a full cinema ticket for! This can only be judged post-consumption”

However, these responses also show an indication that WTP may not be a frequent occurrence; “*might* be willing to pay”, “*some* masterpieces”. The responses show the subjectivity and variability of consumer WTP, which makes the particular aspects of what motivates WTP difficult to define. Therefore, although respondents’ indicated a preference for PWYW, this does not indicate a subsequent WTP, or clarify for what types of content. Respondents’ may have chosen this option as it provides a method to access content for free and they have little intention of paying. As stated earlier there is a danger that respondents’ may be answering in an idealised manner, and their response may not indicate how they would react in reality.

Linking Engagement and Willingness to Pay

While Insiders have shown greater engagement and WTP towards animation, this will not be the case in all encounters with the medium. As argued by Palmgreen and Rayburn (1979, p160) “just because we enjoy reading newspapers does not mean that we must necessarily be satisfied with a particular paper”. Only those encounters that raise engagement to a higher degree and provide sufficient value will elicit a

WTP. Thus, correlation tests were used to draw links between engagement and WTP and understand what may be most influential in motivating WTP.

Firstly, there were positive relationships with spending more time-consuming animation content and that its consumption forms an important part of the consumer's daily lives. This indicates the greater frame of reference as argued by Bowden (2008), where due to greater experience the consumer has a more elaborated knowledge to decipher value. This greater frame of reference may make the consumer a more discerning, like the connoisseur analogy presented in the introduction, and allow them to be a better judge of quality to avoid content deemed "nothing special" that can reduce WTP.

Secondly, three of the information items correlated with each of the WTP items. As already stated the information items show a more goal-directed instrumental use of animation. This indicates that those with a WTP are consuming for more than just mere entertainment and are consuming for reasons that can aid aspects of self-development. Entertainment motives can often be satisfied by the abundance of free alternatives, thus not creating WTP. In opposition, the information motives may require higher quality content due to higher instrumental value, which is often harder to find, thus, eliciting WTP.

Finally, the initial set of payment motives showed a positive correlation. The first two are concerned with previous experience with the director that emphasises again how establishing audience relationships are important to elicit WTP (Bowden 2009; Vivek, Beatty, and Morgan 2012). Creators who have not yet taken the time to sufficiently build a rapport with their audience may struggle to generate revenue (Lopes and Galletta 2006). Thus engagement becomes key in the ability to monetise creative endeavours, with audience rapport making consumers more trusting and receptive to new work: "The only way I feel moved to pay money is if an independent animator has built a connection with their followers and deserves the support for work well done".

As argued in the introduction, the increasing openness and connectivity involved in online environments means it is important to not only produce content, but also have the skills and expertise to distribute that effectively and manage audience relationships. Those able to do so are likely to generate a consumer WTP with

greater ease than those who ignore the management of the consumer relationships or do not have the resources to effectively do so. This strengthens the notion put forward earlier, where those new to market or poorer in terms of resources, risk falling behind established entities in the market. Thus, making it increasingly difficult to generate attention, engagement and subsequently a WTP among consumers and the paradox presented earlier comes into action. In this paradox those wishing to build relationships and trust required to generate a WTP are likely to struggle due to their limited resources and lack of pre-existing content or audience relationships. Thus, subsequently making it difficult to derive the revenue required produce content efficiently; creating a vicious cycle that prohibits their ability to engage consumers.

The final payment motive that shows positive (and the strongest) correlation was *'I value short form animated content and want to aid its continued production'*. The statement offers an explicit declaration that the value provided by the animation medium elicits a WTP to support its future development. This indicates the reciprocal behaviour that motivates WTP and a desire to give back for the value received. This may be linked back to the communal aspect of consumption discussed in relation to Vimeo users earlier, where it is like-minded individuals who understand the value and effort of the medium and appreciate it for what it is (connoisseurs), who develop a WTP.

Conclusions

The present study has explored the differences between animation Insiders and Outsiders to show how certain consumers may be more likely to gain greater value from animation than others. The results indicate individual differences between consumers' and show that Insiders display a greater engagement, greater WTP, and WTP pay a higher amount for animation content. Based on these findings it is posited that a PWYW model may be best suited to cater for audience differences. This would allow creatives to answer both sides of Shirky's Fame vs. Fortune dilemma as encapsulated by the following response in the online survey: "If paying before, it may put people off but if they want to contribute afterwards, they have the option and the artist gets the exposure". This is similar to the notion put forward in the introduction, that animated short films are often more an expression of creativity,

passion and means of exposure than profit making mechanisms. The PWYW model enables this by providing free access, whilst simultaneously offering a revenue method that may go some way in reducing the burden of resource limitations. The PWYW model also captures the uniqueness of creative media content, which is surrounded by quality uncertainty and where value is best determined through use.

Support for the PWYW model does not come without caution, creators must be aware that those with a WTP will be in the minority and the effectiveness of PWYW is improved in connection with the strength of existing relationships and engagement with audiences. Therefore, it becomes increasingly important to build audience relationships and integrate oneself in the community of likeminded individuals. Creators with an established identity are likely to find success with such models easier to come by and those that take a ‘build-and-they-will-come’ approach risk falling behind.

This study is not without limitations. As previously acknowledged there is a danger that some survey respondents could be responding in an idealised manner. Thus, additional research would be beneficial to measure the effectiveness of PWYW in practice. This research should compare PWYW to other methods of payment, as well as different variations of the PWYW model (e.g. pre-consumption, post-consumption and fixed minimum price). Also, whilst this study indicates a WTP for animated short-form content it does not indicate for which types of content. Animated short form content is highly variable, with numerous genres, lengths and styles to consider. Thus, future research may wish to consider such factors in order to further clarify this issue.

While the focus of this study has been on short-form animation, findings are potentially applicable to other creative fields. For instance, greater experience with a medium and being a more discerning consumer is evident in related artistry, with divisions between popular culture and niche independent content. Pre-existing engagement with a particular artist is also likely to be a factor in other creative fields, whether it is a relationship with a director, music artist, author or game developer. The constant competition against free culture is also something that affects all creative mediums, with piracy a constant issue for the film and music industry.

However, it is acknowledged that there may also be differences in terms of other creative mediums. For example, longer-form media may produce greater immersion or greater value perceptions due to its longer length. Mediums such as music and games also offer a greater use cycle with higher frequency of use. Such factors are worth exploring in future research to understand the role they may play in consumers WTP and subsequent perceptions that influence PWYW decisions.

Despite these limitations, the hope is that the present study demonstrates that despite a perception that consumers want everything for free there is a WTP for content online. Thus, content creators should not shy away from presenting the consumer with the option to reciprocate the value they receive.

Appendix

Items	Factor Loading	Chronbach's α	Eigenvalue
Social		0.792	2.207
To Have Something to talk about with others	0.557		
To belong to a group with the same interests as mine	0.752		
As a means to connect with interest people	0.753		
Because My friends Watch Them	0.675		
Because a friend shared a ink	0.554		
Information		0.936	3.741
To keep up-to-date with the animation scene	0.85		
To advance my animation knowledge and skills	0.929		
To gain inspiration for my own work	0.909		
Because it is helpful for my career/education	0.869		
To see what's out there	0.758		
Recognition		0.909	3.351
As a means to express my interest	0.737		
To portray a particular image of myself to others	0.831		
To gain respect & support from my peers	0.865		
To build up my confidence	0.796		
To promote or publicise my expertise of short form animation content	0.796		
Entertainment		0.844	2.422
Because it entertains me	0.923		
Because it is enjoyable	0.892		
To enjoy escaping into a different world	0.708		
To forget about work/study	0.523		
Pass Time		0.736	1.976
When I have nothing better to do	0.885		
When I am bored	0.758		
Because its just a habit	0.552		
I watch short form animation content when I have other things to do	0.556		
Continance		0.856	2.02
To Access content for free	0.722		
Because its easier to find new animation content	0.834		
I can see short form animation content without having to go to film festivals	0.896		

Appendix 1: Gratification Item Factor Loadings

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H. Social Media Usage Among Creative SMEs and Individual Creatives

Abstract

Purpose – Social media (SM) has been advocated as an important tool to increase visibility and gain competitive advantage. Despite this SMEs may not have the resources to utilise these tools. This study aims to demonstrate the usage and perceptions of SM by SMEs and individual workers in the creative fields and understand how these tools are being used and to what effect.

Design/Methodology/Approach - This study stemmed from a literature review of SME SM usage, which alongside the Authors practical experiences in a broader research project provided the means to identify limiting factors in creative SMEs SM use. This was followed by an online survey with a total of 244 respondents to understand the broader experiences of SM use within creative industries.

Findings – Results from the online survey identify perceptions of SM tools as being free and easy to execute, which may be leading to what can be described as a ‘part-time’ approach to SM use. Lack of resources are cited as preventing greater use with the caveat ‘you get what you put in’ standing true.

Practical Implications –While on face value SM tools may appear free and easy to use, effective usage requires greater resource effort than many realise. Unless creative SMEs and individual creatives place greater emphasis on establishing SM strategies they risk falling competing organisations.

Originality/Value – This study offers original insight with a specific focus on creative SMEs use of SM. The study findings further demonstrate how resource limitations can hamper SMEs ability to make the best use of tools at their disposal. These situations are likely to worsen as these tools become more crowded and competitive.

The full study paper can be found in Digital Appendix H

I. Context From The Wider Animation Industry: Interview Study

Abstract

Purpose – Evidence of the issues and limitations faced by SMEs in their attempts to utilise digital environments are largely provided from the perspective of the host company. To gather insight from the wider animation industry a series of interviews were undertaken to strengthen the insight and conclusions found throughout this research.

Design/Methodology/Approach – 11 interviews were undertaken with animators working in the industry; selected because they had recently produced or were currently producing original content, and were of similar size to WONKY. Interviews were audio recorded for transcription, which formed part of the interview analysis that also included note taking during the interviews, transcription reading, and grouping key findings into themes. The interviews were formed on a set of semi-structured questions with space left to add questions based on participant responses.

Findings – Participants are found to be facing similar limitations to WONKY in terms of lack of resources, struggles for visibility and engagement, audience pressures and free culture. These limitations lead to the development of original content being hampered and often produced beyond financial means, which is amplified by declining support for UK animation. This leads to vicious cycles of production and engagement, where development is drawn-out and platforms of delivery are inefficient for returning benefits of engagement back to the original creator. Therefore, those who control access to attention may be the ones benefiting the most from creative production rather than the creators themselves.

Originality/Value – This study offers original first hand insight into the limitations facing those working within the UK animation industry, with a specific focus on SME and freelance workers. The findings further demonstrate how these creative workers are constantly hampered in their ability to produce original content, despite the talent they may possess.

The full study paper and interview Transcriptions can be found in Digital Appendix I.