EXPANDED ABSTRACT

Crowdfunding and proximity audiovisual. Collaborative economy as an instrument of sectorial development

Objectives

The Spanish audiovisual sector is focused around two major production centres, Madrid and Barcelona, although its potential audience are spread throughout the Spanish territory. The creation of an industrial fabric outside these centres depends on the individual initiative of local production companies, although it is difficult to maintain a continuous activity. The search for thematic differentiation leads to the production of proximity content, reducing management costs by taking advantage of the options provided by the Internet to distribute content.

This work aims to analyse the way crowdfunding applied to financing audiovisual projects can help proximity content and, based on crowdsourcing, promote the development of audiovisual sector in areas far from important state production centres.The prosumer role assumed by users can encourage crowdfunding platforms to operate as a professional social network that facilitates the development of stable work teams, enabling the creation of the necessary audiovisual industrial fabric in territories with no tradition in the sector.

Likewise, the purpose is to study the effectiveness of crowdfunding campaigns aimed at the audiovisual sector, analysing their features in relation to the professional sphere. In current audiovisual sector, divided into audiences and continuously evolving concerning business models, it is necessary to evaluate the suitability of any crowdfunding strategies standard for all kind of products. In the same way, making proximity audiovisual content for spectators, connected by geographic and thematic aspects, can find the appropriate way of financing and managing through crowdfunding and crowdsourcing platforms.

Design/methodology/approach

The object of the study was the audiovisual projects used by the Verkami and Lánzanos crowdfunding platforms to plan their financing campaigns. Both have big importance at state level as they cover needs of the sector. They excel in their length of service, volume and success rate and they include a specific section for audiovisual products, working according to the rewards model.

A preliminary study of sectoral and geographical data was carried out, focusing on the territorial dispersion of audiovisual production and consumption, in order to tackle the issue of proximity content. Subsequently, the projects analysed for both platforms were divided into two large groups: documentaries on local subjects and feature-length fiction films developed by promoters not based in the two large state production centres. The study was carried out during the month of July 2016, on campaigns for which the deadline for receiving contributions had expired in that period. The analysis includes projects that were unsuccessful in reaching their funding target. Finally, conclusions have been drawn.

Results/Research limitations/implications

The campaigns analysed have a fundamental impact on emotions. Their description is based on highlighting the social and human interest of the main characters and the space portrayed audiovisually. The subject matter is the descriptive axis of the project, but, compared to the information that a professional production dossier would provide, essential aspects such as synopsis, locations, shooting plan and financing or budget of the project are avoided. In many cases it not mentioned whether it is a feature film or a short film, even though the way to face any project depends fundamentally on this question, defining, also in terms of budget, the real difficulty for a project and its feasibility. It is also important to know the stage the product is in when the campaign is called, this fact is usually provided, although not clearly enough.

The estimated cost of the project and the percentage still to be covered are barely described. For this reason, the specific financing objective of each project does not allow definitive conclusions to be drawn on the real effectiveness of the campaigns in each proposal. The Official Budget tool would provide a suitable model for quantifying and identifying the items for which funding is requested, and also for managing a coherent crowdfunding schedule.

The rewards offered are intended for patrons to feel important in the development of the product. The minimum and maximum contributions proposed follow the criterion of diversifying the options, generating multiple peaks in the final number of patrons, foreseeably local users as potential first spectators of the products.

The feature films studied do not reach the usual minimum figures of the sector, and it can be inferred that this behaviour is closer to amateurism than to the professional world. The failure rate is relatively high in these campaigns, not assuming the economic expenditure involved in audiovisual production.

The possibilities provided by the combination of a crowdfunding strategy with a crowdsourcing strategy, favouring the audiovisual professional activity of these areas, should be highlighted. The contributions of the patrons can be used for financing in exchange for rewards, but they could also cover the

contribution with the professional experience from many users, who are capable of carrying out the specialised tasks required in teamwork such as audiovisual work.

There is a niche of action crucial to facilitate the promotion of a more stable professional activity, which can generate an industrial fabric within the sector, non-existent in many geographical areas.

Practical conclusions and original value

The technological evolution of the audiovisual sector requires a constant reconversion of the business model, including the financing process. Thus, crowdfunding takes advantage of the collaborative practices enabled by the Internet, encouraging users to participate in projects and become an active part of the product. Platforms such as Verkami or Lánzanos turn patrons into motors for audiovisual projects that are akin to them in terms of subject matter or geography. This means that the idea of proximity is used as an instrument for selling the project, defining also the target audience of the campaigns, turning them into a possible system of communication between local producers and users. Similarly, as in the crowdsourcing philosophy, these can contribute with their capacities for a better development of the project, even in a continuous way, with the final goal of laying the foundations of an audiovisual industrial fabric in areas where it does not exist.

The analysis of the campaigns on the Verkami and Lánzanos platforms allows us to conclude that the projects are maybe a bit unprofessional, which prevents us from taking full advantage of the possibilities offered by crowdfunding. Localised problems include the lack of information on the total budget, the destination of the funds or even the definition of the type of product (feature film or short film). There is also an excessive confidence in the predisposition of possible patrons, as well as a lack of delimitation of the same that would facilitate better structured campaigns. It is therefore inferred an overdimensioning of the real capacity of the promoter to undertake his product and an absence of realism on the economic needs of the same, achieving residual figures. The Official Budget should be used as a tool to plan financing through crowdfunding, segmenting the phases of preparation of the product and the campaigns located in them.

KEYWORDS: Audiovisual, Crowdfunding, Crowdsourcing, Proximity.