

## Chapter 42

# Crowdfunding, Entrepreneurship, and Design Education: Case Study of a Campaign by Design Students from China

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### **ABSTRACT**

*The purpose of this paper is to develop further insights into micro-entrepreneurship programs participated in by Chinese industrial designers. A model of creative thinking is employed to explain the campaign creation process. A case study research in sample design entrepreneurs was designed and conducted, and it was composed of three steps: preparing for data collection, collecting the evidences, and analyzing the evidences. It was found that five main defects in creative thinking work as obstacles to crowdfunding success. In order to overcome these drawbacks, it is suggested that designers involved in micro-entrepreneurship programs should acquire the abilities of building prototypes, following the design procedure, finding and solving problems, defining ideation and applying the evaluation methods. Current findings and future study can contribute to the curriculum development for China's industrial design education.*

## INTRODUCTION

The Chinese government is making heavy investments to convert grass-roots innovation into business. In Shanghai, Communist Youth League supported the 2012 Shanghai Maker Carnival. The construction of more than 100 government-supported innovation houses is proposed by local officials. Some hackers' fabrication laboratories in China earn official supports which take the form of latest facilities or considerable allowances usually used as the rents (Parker, 2014). Around the globe, online crowdfunding currently becomes a significantly effective approach to realize a wide range of designers' micro-entrepreneurship dreams. A number of campaigns have been successfully launched on Kickstarter that one of the most popular international crowdfunding platforms. On the community of Kickstarter, a product design campaign for a smart watch named Pebble attracted more than \$10.3 million from 68,928 backers as of May 2012 (Newman, 2012).

In the field of design education, what can domestic educators in China learn from these changing external conditions? Few researchers in China have so far studied this emerging question. Focusing on university-level design education and industrial business, two scholars Rodber and Wormald (2007) in the UK pointed out that the process of creating wealth through new-product development has changed since the early 21st century. Similar to Chinese government, British government strongly supports science and innovation to create innovative goods and services for economic success. Design thinking, marketing-oriented new product development as well as the integration of design system and service are highlighted as the important drivers. Thus two researchers suggested orienting industrial design education (IDE) to the latest trends so as to alleviate the mismatch between IDE curricula and newly required skills and knowledge in industries. While this suggestion can serve as a reference for this paper, it is of limited helps for China's IDE and crowdfunding campaign creation.

Despite the rapid growth of online crowdfunding, there is comparatively little research on fund-raising campaigns. Focusing on the participants' psychology and behaviour, a study proposed enhancing the motivations of both the creators and the supporters via crowdfunding support tools (Hui, Greenberg & Gerber, 2013). Gerber and Hui (2013) suggested applying the principles of connecting participants by, for example, creating a reward system and inspiring social feedbacks (Sakamoto et al., 2013). Kuppaswamy and Bayus (2014) indicated that project creators should pay more attention to the first and last periods of fundraising campaigns, in which platform backers tend to contribute more than in middle weeks. However, these prior researches regarding campaign management may rarely benefit entrepreneurs in their campaign creation.

In order to research online crowdfunding, a case study was conducted here targeting a group of industrial design students (hereafter referred to as the Students) at Nanjing University of the Arts, China. The Students created a smart ring for which the fundraising campaign was unsuccessful on Indiegogo, a large global crowdfunding and fundraising online site. Through figuring out how the Students carried out product design campaigns and why their creative thinking-based campaign creation failed to reach the funding goal, this research aims to develop further insights into the design micro-entrepreneurship based on China's IDE.

After presenting the key concepts and theoretical basis, this paper gives a systematic description of the research process, which is divided into three main sections. The first section details the process of preparing for data collection, including case selection and the formulation of the evidence-collecting procedure. The second section describes the collected evidences. Through analyzing the evidences, Section three concludes that the Students' crowdfunding failure was the result of their creative thinking

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