

The Female Warrior: A Case Study of Crowdfunding and Women's  
Empowerment in Malaysia

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Abstract

The Velara Warriors is a project recently launched by two young Malaysian women to create a line of female action figures that challenges gender stereotypes in children's entertainment. While mainstream films feature a growing number of strong female characters, toy franchises are less likely to manufacture and sell corresponding female fighting figures. The two women turned to Kickstarter, one of leading crowdfunding platforms, to raise capital from a wide network of supporters. While funding barriers faced by women have been widely addressed in literature, women entrepreneurs are more likely be funded on crowdfunding platforms like Kickstarter, demonstrating a potential to promote gender equality. Adopting a case study approach, this paper uses a gender framework suggested by Naila Kabeer as its starting point to discuss the crowdfunding phenomenon in relation to women's empowerment. Findings suggest a positive connection between crowdfunding, women's empowerment and entrepreneurship. The article concludes with suggestions for future research avenues.

*Keywords: Crowdfunding, women's empowerment, women entrepreneurship, entrepreneurial finance*

1. Introduction

This paper uses the Velara Warriors project as a case study to discuss crowdfunding and women's empowerment. A framework suggested by Kabeer (1999) is used as the starting point to discuss the implications of crowdfunding in regards to three aspects of women's empowerment – resources (pre-conditions), agency (process) and achievements (outcomes). Findings suggest that empowerment through the impact of access to financial resources (crowdfunding finance) in itself can be outweighed by other factors. Empowerment entails a transformatory process and consequences. Kabeer's focus is on the importance of decision-making and methodology. She points out that access to resources should be defined in a method that identifies the potential for human agency and value. By utilizing crowdfunding and becoming fully invested in the process, the two women entrepreneurs are empowered as described by Sen and pointed out by Kabeer as "being and doing".

Numerous studies (Brush et al. 2004; Becker-Blease and Sohl 2006; Coleman 2000; Coleman 2004) have identified gender gaps in traditional external funding methods. Today, women entrepreneurs turn to crowdfunding as a source of funding that is primarily used as a financing mechanism for creative work and ventures. The Velara Warriors project launched recently by two Malaysian women entrepreneurs – Roobini and Trisshala Sittampalam is a case in point.

While mainstream films feature a growing number of strong female lead characters, toy franchises are less likely to manufacture and sell corresponding female fighting figures. Examples of children toys are heavily gender stereotyped, which has resulted in a variety of social and economic consequences. When the latest instalment (*The Force Awakens*) of the Star Wars franchise was relaunched by Disney with a strong female lead, Trisshala and Roobini found themselves among a chorus of voices asking why there were not any female action figures available. The two women decided to develop their own female superheroes to “empower girls to believe they can be more than just princesses, and to show boys that women can be heroes, too.” Lacking in funding, they took their project to the Internet and used the crowdfunding method to reach out to a larger group of people for support.

## 2. Crowdfunding

Literature suggests women face more challenges than men in securing entrepreneurial capital in the form of bank credit (Coleman 2000; Coleman 2004), angel investment (Becker-Blease and Sohl 2007) and venture capital (Brush et al. 2004). Currently young women entrepreneurs are turning to the Internet for new and alternative funding solutions, in particular crowdfunding. Greenbery and Mollick (2014) found women are more likely to successfully raise capital than male founders on Kickstarter – one of the leading crowdfunding platforms, especially in industries that are traditionally gender stereotyped such as in technology. Hence the potential of crowdfunding as a platform to promote women’s empowerment is worth exploring.

Crowdfunding is a method to fund ideas and projects through a large group of people on the Internet. According to one estimate, the crowdfunding sector grew by over US\$34

billion in 2015, and it is expected to surpass the amount invested by venture capital by 2016.<sup>1</sup> The crowdfunding mechanism functions directly through Internet social networking, where people actively participate in online communities to share information, knowledge and suggestions about new initiatives. Social networks such as Facebook, Twitter and blogs are presently the main channels to communicate information about crowdfunding projects to potential project contributors.

Currently, there are three primary types of crowdfunding:

- 1) Reward-based crowdfunding. In the reward-based model, the crowd pledges to a project in exchange for rewards provided by the project creator.
- 2) Equity-based crowdfunding. This model allows ordinary individual investors to fund a startup business in return for actual equity ownership. It is also referred to as investment crowdfunding and crowd investing.
- 3) Peer-to-peer lending (P2P). In the P2P model, a group of lenders provides funds in return for an interest payment on top of capital repayment.

In this article, we focus on reward-based crowdfunding and the term “crowdfunding” will refer to reward-based crowdfunding. In the reward-based crowdfunding model, platforms usually adopt one of two funding options: all-or-nothing (AON) or keep-in-all (KIA) (Cumming and Schwienbacher 2014). In the AON model, project creators set a fundraising goal, and the creator can only access the pledged funds if the project reaches the goal. If the project does not meet the fundraising goal, the funds will be returned to individual supporters. Oppositely, in the KIA model, the project creator can keep the entire pledged amount regardless of whether or not the stated fundraising goal is reached. Crowdfunding can remove geographic limitations (Agrawal et al. 2010; Mollick 2013) and has less gender bias than traditional funding models (Mollick 2013; Marom et al. 2016). Greenbery and Mollick (2014) found that women are considerably more likely to successfully raise capital than male founders, especially

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<sup>1</sup> Total global crowdfunding industry is estimated at over \$34 billion with \$25 billion from peer-to-peer lending (P2P), \$2.5 billion from equity-based crowdfunding and \$5.5 billion from reward-based crowdfunding. <http://crowdexpert.com/crowdfunding-industry-statistics/>

in industries that are traditionally gender-specific such as in technology. These findings reflect the potential of crowdfunding in encouraging women's empowerment and entrepreneurship.

### 3. The Velara Warriors: Women Can Be Heroes Too

*"I had just graduated from London School of Economics, and was about to leave for home, when I visited a toy store to get an action figure of Rey, the lead in the latest Star Wars film. But to my surprise, she was missing from the major lineups of action figures. After researching this with my sister, we discovered missing female action figures was common and prevalent. Weeks later, we still couldn't get it out of our heads, and that was pretty much the birth of Velara Warriors."*

– Trisshala Sittampalam<sup>2</sup>

On the Velara Warriors' Kickstarter campaign page, Trisshala Sittampalam explained how she initiated this project with her sister, Roobini. The project proposed to produce three action figures, accompanied by an illustrated book that tells the story of the Velara Warriors and their adventures. In the video introduction uploaded to the project's Kickstarter campaign page, the two women shared their vision, "Toys are gender-stereotyped now more than ever, girls don't get the wide variety of toys as boys do, and boys only get male heroes, but where are the women? Both boys and girls need female heroes too."

Trisshala recalled on the Kickstarter campaign page that she went to look for the action figure of Rey. She was told by a store manager that they do not retail female action figures because merchandisers typically do not make them. They emphasized the purpose of their crowdfunding campaign was "to break the barriers between genders, by creating a female action figure that appeals to both boys and girls."

In order to minimize risks, they teamed up with a Kickstarter campaign consulting company and built relationships with factories in China. After months of searching, they chose a Chinese manufacturer.

The project did not meet its capital raising goal, which was set at GBP70,000. In total, they raised over GBP30,000, from a total of 398 backers. As the Kickstarter platform adopts an all-or-nothing (AON) model, the project creator cannot obtain funds unless it reaches its

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<sup>2</sup> <https://www.kickstarter.com/projects/578303613/velara-warriors-daughters-of-light?token=5990f85d>

capital raising goal. Foreseeing their goal would not be achieved, on September 22 the Velara Warriors team made an announcement on their Kickstarter page to cancel their campaign. Backer funds were returned and they announced changes they plan to adopt in their project to incorporate feedback from supporters. They extended their gratitude to all the backers and encouraged them to follow project updates on their website, Facebook and Twitter pages. Since launching, the project has received reviews in both international and local Malaysian media. Social networking played a vital role throughout their crowdfunding campaign. To date, the project has received over 100 positive comments on the Facebook and Kickstarter campaign pages.

#### 4. Discussion

While Kabeer's framework is usually used in the development field, her focus on choice and process provides a useful standpoint in discussing new economic initiatives and women's empowerment. In this section, we discuss three dimensions of women's empowerment as defined by Kabeer in the context of crowdfunding while using the Velara Warriors as a case study example. According to Kabeer, empowerment entails a process of change. Through this process of change, women can expand their ability to make strategic choices about their lives and to participate on equal terms with men in bringing about desired changes in the society in which they live (Kabeer 1999).

**Resources**  
(Pre-conditions)

**Agency**  
(Process)

**Achievements**  
(Outcomes)

The primary resource of crowdfunding is the crowd itself: the community that exists in connected social networks. Financial funding is the secondary resource of crowdfunding. A crowdfunding initiative draws upon the concept of "crowd" and "funding". The entrepreneur is largely benefited from crowdfunding's collective action. The advantage is it can enable an entrepreneurial individual to obtain financial resources, usually in the form of a small amount of money from a large group of supporters (the "crowd"). Through the crowdfunding process, a project creator can obtain access to both of these resources. Each of these resources can bring about positive benefits to a crowdfunding campaign. This paper is concerned with the effect of elements of the crowdfunding campaign that have a clear and direct impact on furthering empowerment of participants.

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The crowdfunding process increases the degree of participation and entails a process of collaboration. It encourages a women entrepreneur to express herself, proactively exercise power and achieve her goals. On crowdfunding websites like Kickstarter, a women entrepreneur can create her own project page and fill out information about herself, the project proposal, and additional personal information including Facebook and Twitter links. The clear and transparent launch track for a project enables a clear timeframe to market for a business opportunity. Crowdfunding helps to adopt new approaches of undertaking entrepreneurial projects and managing ventures, which in turn leads to new forms of business development in which the “ordinary” crowd can get more closely involved, as active consumers, investors, or both (Belleflamme et al. 2013). As in the case of the Velara Warriors, the two Sittampalam sisters shared their idea within their social networks, they interacted with their community, sharing ideas on product design, prototype building and project updates.

Transformative aspects are observable in three domains of a crowdfunding project’s management process that differ from a traditional business cycle of which we shall discuss in comparison below:

- 1) Product market launch
- 2) Development and production
- 3) Consumer experience

	Regular approach	Transformation	Crowdfunding approach
Product market launch	Company manufactures then sells products	From “sell a product” to “support an idea”	Community of supporters “back” a product, receive rewards
Development and production	Closed in-house product team develops concepts	From closed in-house production to open and active supporter participation	Feedback from supporters to improve prototypes and process
Customer experience	Dedicated customer service staff responds to phone and email inquiries	From seller/customer relationship to creator/supporter relationship	Community interaction through social media

Figure 1: Transforming through crowdfunding

#### *4.1 Product market launch*

As opposed to a traditional business cycle, the crowdfunding model allows a potential project ‘audience’ to participate in the early stages of development. In the traditional business cycle, the ‘market audience’ is introduced to the product at a later point in time, typically after the product is launched at marketing and sales stages. During their Kickstarter crowdfunding campaign, Trishshala and Roobini received pledged support from almost 400 supporters from all over the world before even launching a physical product.

Switching from the regular venture approach to crowdfunding method to launch a product to the market potentially has transformatory implications. In essence, it disrupts the concept of *selling* a product. In the case of the Velara Warriors project, the two women entrepreneurs identified a market need, formed and consequently expressed the idea to share in the Kickstarter crowdfunding community. Supporters were attracted by the idea itself and then pledged money in exchange of rewards. In the crowdfunding approach, supporters are not buyers in the sense of the traditional consumer model. As Belleflamme et al. (2013) suggested, crowdfunding supporters usually have a high willingness to pay and are motivated by more than merely consuming a product. In the case of the Velara Warriors, we observe the team to be exercising full *control over resources* – the support of the crowd. As suggested by Beneria and Roldan (1987), pointed out by Kabeer (1999), such control can be defined as a critical “control point” in discussing empowerment. At this control point, Trishshala and Roobini’s *control over resources* has the consequential significance of influencing outcomes.

#### *4.2 Development and production*

In the regular approach, new product concepts are dependent on an in-house product R&D team. In general, new concepts are based on research that identifies potential commercial market opportunities. Kabeer suggested that direct measures of women’s agency were far more significant in determining outcomes when women were required to step out of routine forms of behavior than outcomes which allowed them to conform to prevailing practice. The Velara Warriors team is a case in point. Rather than merely meeting a commercial market need, their primary goal is to empower girls by creating female action figures to challenge gender stereotypes in children’s toys.

On their Kickstarter campaign page, Trisshala and Roobini shared insights into the development and production process directly with supporters. The importance of sharing in the product development phase can be two-fold. It encourages supporters to contribute in different ways, including supporting and backing projects, contributing ideas to make the product better, and sharing the project within their own communities. The development, preparation of project introduction and production process in the format of text, image and video allows entrepreneurs to critically analyze and summarize their own project plan and process. Through critical reflection and evaluation, project owners are able to adjust their workflow accordingly. By means of fully participating in the process and critical self-reflection, the two women entrepreneurs gained greater access to and control over their resources.

Kabeer also reminds us that women's access to resources does not necessarily reflect on the pathways by which such access translates into agency and achievement. In the case of the Velara Warriors project, one can however argue that access to direct feedback from the crowd enabled Trisshala and Roobini to make key decisions to test market and collect essential feedback to use in their product development process. One such outcome of their decision-making based on community feedback was to modify the style of their proposed action figures.

#### *4.3 Consumer experience*

In the regular approach, a dedicated customer service team is crucial to manage customer relationships. In the crowdfunding sphere, the customer relationship is based in the social network community, and goes beyond a simplistic customer support model. As discussed earlier, crowdfunding supporters usually have a high willingness to pay and are motivated by more than merely consuming a product. Backers support an idea, in this case, the Velara Warriors project and participate in the collective action to bring their message of women's empowerment to fruition. Throughout the crowdfunding campaign, Trisshala and Roobini directly communicated with supporters on their social media and Kickstarter project campaign page, which helped to foster a close relationship with supporters.

Women's empowerment, as mentioned by Kabeer, is dependent on collective solidarity in the public arena such as we observe in the Velara Warriors project. The transformation from seller/buyer relationship to creator/supporter can have great implications on the agency of crowdfunding project creators. The potential result is a community that is not antagonist as seen in a capitalistic traditional venture model, but instead tends to be supportive and inclusive.

By following through on their goal to promote women's empowerment based on the Velara Warriors crowdfunding project, and as a consequence of the resulting collective action undertaken, it can be advanced that Trisshala and Roobini achieved a state of empowerment by means of "being and doing" as suggested by Sen (1985b), and further discussed by Kabeer (1999).

## 5. Conclusion

This study is an attempt to use Kabeer's suggested framework as a starting point to discuss crowdfunding in relation to women's empowerment. As was discussed, it can be argued that by employing crowdfunding and becoming fully invested in the process, the two women entrepreneurs - Trisshala and Roobini Sittampalam are empowered in Sen's definition of "being and doing". Concerning the ability of an individual to exercise choice in terms of resources, agency (decision-making process and methodology) and outcomes in three domains of an entrepreneurial venture, we observed that crowdfunding is a process that does indeed entail transformative changes, and these factors can have a positive impact on women's empowerment and entrepreneurship.

It is hoped that this study will shed light on issues related to gender and women's entrepreneurship, as well as provide insights concerning new Internet-based financial mechanisms. This study adopted a single case study approach, and follow-up research is suggested to further investigate various socio-economic effects of crowdfunding. A quantitative study on the overall performance of Malaysian women-led businesses in adopting crowdfunding is of value to understand gender dynamics and challenges in the local context.

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Kickstarter Campaign Page of the Velara Warriors Project

Start a project About us KICKSTARTER

Velara Warriors: Daughters of Light (Canceled)  
by Velara Toys

398 backers  
£31,923 pledged of £70,000 goal

Funding Canceled  
Funding for this project was canceled by the project creator on September 22.

London, UK Product Design

The Velara Warriors combines Fantasy Female Action Figures with Illustrated Stories

Velara Toys  
First created | 7 backed  
velaratoys.com

VELARA

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