
The Digital Media Industry in Canada Through Crowdfunding

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Research Questions

(1) How does digital media impact the geography of innovation?

- **Why do we find geographical clustering of finance even with the availability of digital funding platforms?**
- Which regions are better positioned to take advantage of this new, democratic landscape of Digital Media?
- What is the Intra-metro-area sorting patterns of crowdfunding activity?

(2) How does digital media signaling impact “success”?

Major Finding

- The world is indeed flatter with Digital media, but –
 - Still spikey in certain locations.
 - Traditional variables explain some but not all.
 - There is a difference between “digital” to “local” projects.
- The kind of digital media used is important, similar to traditional signals.

What Does It Mean for Canada's Digital Opportunity?

- Digital Media helps entrepreneurs reach resources otherwise not available. But –
 - Location still important – knowledge, wealth concentration matters.
 - Digital is still not a replacement for local – government input is important, we can not assume the web will help our firms and/or entrepreneurs. Distribution in crowdfunding is similar to VC.

Key Policy Implications

1. Knowledge and talent base - Digital education tools for entrepreneurs are as important as traditional business education. Its not about having presence on the web but more about the kind of presence.
2. The availability of capital and markets– The crowd and the entrepreneurs are biased toward cities and wealth concentration.
3. The broader social impact of the digital transformation in terms of jobs, equity and inclusion - Partial. Changes for locally related projects (community gardens, local food trucks, etc). However, the broader impact has not happened yet.