LIKE ME AND FUND ME
Using crowdfunding for personal causes

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ABSTRACT

Crowdfunding has become one of the most useful tools for entrepreneurs to fund projects. Nevertheless, the growth of crowdfunding has developed different types of projects that use this technique to raise money. One of these types of projects is crowdfunding for personal causes, this is to say, people who utilize crowdfunding in order to get means to accomplish a personal goal. In this paper, the crowdfunding platform “Gofundme” was chosen in order to analyze the role of social media when it comes to collect money for personal reasons. In addition, attention is paid to how fundraisers use social media tools to make their project more “likeable” and to get more donations.

Keywords: crowdfunding, platform, causes, social media, tools
When Kenneth Fox got accepted at the Interlochen Arts Academy in August 2012, he found out that unfortunately, his family could not afford his tuition fee for a full year of study. He then decided to create a campaign on the “Gofundme” crowdfunding platform to collect the money. He set an initial goal of $7250 dollars (5355 EUR) and then uploaded a video of himself singing about how much he will like to go to school. He then shared the page on all his social networks and raised $7950 dollars (5871 EUR) in less than a month which allowed him to go to school and start his artistic education¹.

This story illustrates how crowdfunding has become a useful tool to raise money; not only for entrepreneurs and small businesses, but also for people without experience on fundraising techniques that are attracted by its ease and effectiveness.

Crowdfunding literally means “being funded by the crowd”, which in this case means being funded by a group of people willing to invest/donate money online. Precisely because of its online features, and its connection with social networks, crowdfunding seems to be rapidly expanding and collecting significant amounts of money worldwide. The most recent official report from the crowdfunding industry² on 2013 showed that this fundraising technique has raised an estimated of 5.1 billion US dollars (3.7 billion EUR).

There seems to be a strong dependency between crowdfunding projects and social media, this is to say, the tools that people use in order to promote their projects and get more donations. Hekman and Brusee (2013) analyzed the impact of social networks on the projects launched in the crowdfunding platform for creative and artistic projects, Kickstarter. They investigated successful and unsuccessful cases as well as an analysis of the Facebook network of each fundraiser. The findings showed that fundraisers with more friends on Facebook were more likely to succeed than fundraisers with less Facebook friends (Hekman & Brussee, 2013). Likewise, the study of Mollick (2013) also


points out the importance of social media on crowdfunding ventures. In his paper, Mollick associates the number of Facebook friends with success of projects. The results of this paper indicated that the higher the number of Facebook friends a project creator has, the higher the chances to succeed on his crowdfunding venture (Mollick, 2013). Nevertheless, these two studies only concentrated on number of friends and did not take into account the number of “shares”\(^3\) or “likes”\(^4\) on any other social network other than Facebook. Another recent study by Chun-Ta and others (2014) investigated the effects of social media on crowdfunding projects by analyzing the relationship between money raised by projects on Kickstarter and the promotions of these projects in social media. The outcomes of this study confirmed that early promotional activity in social media has a strong correlation with final amount of money raised per project. In addition, the paper also mentioned the importance of “concurrent promotion” on different online networks (Chun-Ta, Sihong, Xiangman, & Philip, 2014). However, this study focuses on reward-based crowdfunding (where supporters of projects “invest” their money instead of donating it) and has as final goal to help the improvement of reward-based crowdfunding platforms.

Coming back to our opening example, it is very likely that Kenneth Fox would have not been able to collect the money, if he would not have used social media to advertise his crowdfunding project. In this thesis, the main focus lies on how people use social media in order to raise money for personal causes. More precisely, how people who do not aim to create a business or venture, utilize crowdfunding projects and social media to reach personal goals such as paying a health treatment or recover from an unexpected accident, etc.

\(^3\) The “share” function on Facebook allows individuals to reproduce a comment, content, picture, or piece of information on their own timeline.
\(^4\) To “like” something on Facebook allow individuals to show support on a status, page, or piece of information without leaving a comment. It also creates a connection between the person who liked a content and the person who add the content.
In order to find out what role social media plays in the success or failure of these crowdfunding personal projects, the crowdfunding platform “Gofundme”\(^5\) has been chosen as a case study. This platform is the third most successful crowdfunding platform worldwide after Kickstarter and Indiegogo due to the amount of money the raised and number of projects each of them have. These platforms facilitate the process of creating a crowdfunding project, and therefore, they are reaching people with personal financial needs who are attracted by the ease and effectiveness of the process.

Crowdfunding platforms like Gofundme are changing the definition of fundraising. However small or big the need is, it seems to attract individuals seeking to fund their personal desires. In addition, it has become the ultimate hope for people who have financial needs and cannot get the help in any other way. Of course not all causes succeed and therefore the focus of interest is the online behavior of the fundraisers and to what extent this behavior can predict the success or failure of their cause.

I. PURPOSE OF THE STUDY

As it has been mentioned before, crowdfunding is moving beyond a tool being primarily used by entrepreneurs, and increasingly more by individuals who use this technique in order to fund their personal projects. Online platforms such as Indiegogo, Crowdfunder and Gogetfunding were created to guide these individuals to achieve their financial goal, however the results (success or failure) of these crowdfunding causes appears to be influenced by the way fundraisers use social media and their level of online activity.

This paper will focus on the online platform “Gofundme” as the main source to study some of the cases that are published on the website. This crowdfunding platform was chosen because most of

\(^{5}\) www.gofundme.com
the projects that fundraisers create there are for personal reasons. Even though fundraisers could create other kinds of projects (e.g. business oriented campaigns, ventures, etc), it is assumed by the researcher on basis of preliminary analysis that most of the cases on this platform are conceived by individuals who have no experience in fundraising techniques. The use of social media and its techniques such as how to write a story to create a project, social networks, videos, pictures, links, etc., get specific attention in this paper. The outcomes will be analysed in order to understand whether it is possible to predict the success or failure of causes based on the online activity of their creators.

**II. LITERATURE REVIEW**

Previous research has already focused on the development of crowdfunding and the impact generated on the fundraising world. On the following section, the definition of crowdfunding will be explained as well as the different existing models. The impact of social media on crowdfunding will also be analyzed as well as the online behavior of donors and fundraisers.

**2.1 Crowdfunding as the new fundraising phenomenon**

**2.1.1 Definition**

Crowdfunding is a derivation of the term crowdsourcing, which means to work collaboratively with the "crowd" (a large group of people) in order to collect ideas, feedback, and solutions that will benefit ventures or corporate activities (Belleflamme, Lambert, & Schwienbacher, 2013). Gerber and Hui (2013) argued that “crowdfunding makes it possible for those with limited access to traditional sources of financial backing, such as banks or venture capitalists, to acquire financial resources necessary to finalize their projects” (Gerber & Hui, 2013, p. 2).
There are several definitions of crowdfunding in different contexts, but the general idea is that a group of people collaboratively donate a small amount of money in order to contribute to the production process or the solution to an issue or problem (Ordanini, Miceli, & Pizzetti, 2011).

According to Kuppuswamy and Bayus (2013), the importance of crowdfunding seems to relate to two major aspects: firstly, money is collected from small donations of different people (in this case, the crowd) within a time limit, which usually are a few weeks. Secondly, prospective donors can assess the support of other donors and other aspects of the project before making their own decision to fund a campaign, which suggests that social information has an important role in the success of the cause (Kuppuswamy & Bayus, 2013).

In line with Kuppuswamy & Bayus, a third aspect is worth mentioning. When individuals are making donations to major organizations, they cannot control where the money exactly goes and how the company or organization is investing it. When it comes to fund a specific event or specific case, donors can more concretely see how the money is used, and also control their donation by keeping track of the cause that they are donating to.

2.2 The dynamics of crowdfunding: How does it work?

The success of crowdfunding and its impact in the fundraising world is generating an increasing interest among researchers and entrepreneurs. These groups are interested in finding out more about this phenomenon and its effects. Because of its novelty, there are not many studies on this subject that can offer an in-depth analysis of all the forms and models of crowdfunding. Surprisingly enough, many articles focus their research on models of crowdfunding where supporters are expecting something in exchange for their money, for instance access to the final product or to make some profit from the earns of the company of the fundraiser. As argued by Belleflamme, Lambert and
Schwienbacher (2013), these two forms of crowdfunding have become prevalent in comparison to other models.

Mollick (2013) proposes four different approaches to crowdfunding models. The first approach is the philanthropic approach, in which donors fund a project without expecting any retribution for their donations. The second approach entails lending, which means that donors expect some kind of return for their investment. The third approach is called reward-based crowdfunding and according to Mollick is the most important one: donors receive a reward for their contribution to the project they funded. The last approach focuses on equity in crowdfunding. In other words, crowdfunders treat their donors as their future customers and investors giving them equities in return for their funds (Mollick, 2013).

Even though this is a generalization since motivation for donors can be much more complex than only the above four reasons, very little has been said about crowdfunding only for philanthropic purposes. Donating money only for the sake of helping someone is a type of crowdfunding that is growing rapidly and to date, to the knowledge of the researcher of this paper, has not yet been approach empirically.

2.4 Successful stories of crowdfunding

In order to show similar characteristics between crowdfunding projects in general, the following examples were selected to illustrate the process of these projects and to give readers an idea of the current situation of crowdfunding.

If we have to refer to successful examples of crowdfunding campaigns, it will be necessary to mention briefly the 2008 donation-based crowdfunding campaign of the current president of the United States Barack Obama. Obama and his team managed to raise more than $750 million (553 million EUR) from supporters in a period of 21 months, setting a new fundraising record for
presidential campaigns and leaving his opponents behind. An estimated of $600 million came from three million donors which is approximately $200 per donor\(^6\).

Leaving aside political examples, this paper focuses on crowdfunding platforms. Several examples will be provided to get a clear idea of the impact that these platforms are achieving nowadays and how crowdfunding has become an alternative for project creators to achieve and in many cases overpass their goals.

One recent famous project is the “Swimming in New York” project launched in July 2012 on Kickstarter. The idea was to build a floating swimming pool in the middle of the east river of New York. The first goal of the project was to clean the whole river little by little. This project, created by Family and Play Lab, two companies oriented to the design of offices and buildings, promised New York citizens the possibility to swim again in clean water as people used to do more than 100 years ago. Because of the original idea and the fact that all New Yorkers saw a benefit for themselves, the project raised $273,114 (American dollars) thanks to 3,175 backers (donors). The goal was achieved and the funders are now busy at creating a second project which will allow all people in New York to have different pools aiming to swim and admire the New York skyline at the same time.

Another exceptional project was the one launched in June 2012 by Amanda Palmer, a singer and performer who left her major record label and asked friends and fans to help her collect money through Kickstarter, aiming to record a new album on her own terms. Even though her career was already followed by several people, she managed to use this at her own convenience. 3,943 friends and fans shared the project on Facebook and thanks to her constant updates and videos on her page she not only achieve her goal of collecting $100,000 but instead she managed to raised $1,192,793 thanks to

\(^6\) These figures were extracted from an online article which was last retrieved on January 20th, 2014, from the Crowdsourcing Week website. Link: http://crowdsourcingweek.com/a-framework-for-political-crowdfunding-lessons-from-president-obama/
3,943 supporters in her one month campaign. She is still posting news and comments on her Kickstarter page and updates her fans about her recent projects.

Indiegogo helped for instance Drew Cox and Adam Brandejs to accomplish their goal. In March 2013, they created a page in this platform to raise money which would enable them to produce their portable 3D Matter-form scanner invention in big amounts. This 3D scanner allows people to scan any physical object and turn it into a digital 3D model on the computer. It also allows the 3D model to be printed or include as animation in a video game. They set up a goal of $81,000 to begin with their business; nevertheless, they raised $471,000 in 35 days, which overpassed all their expectations.

Finally, it is interesting to mention the example of “Wij zijn sport”, a crowdfunding website in the Netherlands that is dedicated to help athletes who will like to participate in different competitions but lack of sponsors and consequently money to do it. One of the most famous projects that they managed to complete was the one from Jerrie Van De Kop, a Kite surfing passionate who wanted participate in a “Pro Kite surf Rider Tour” to receive professional training and compete at international level. The goal that he set was one of the highest of the platform in general; notwithstanding, he managed to overpass it, collecting 10,220 from a goal of 10,000 euros.

2.5 Social Media role in crowdfunding

According to Hemer (2011), what makes crowdfunding so appealing to people and companies in general is that it “exploits the capabilities of social networks and other new features of Web 2.0, especially the function of "viral networking and marketing", which enables the mobilization of a large number of users in specific Web communities within a relatively short period of time” (Hemer, 2011, p. 8).

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7 This 2 projects can be found on the crowdfunding platform Kickstarter, since remind as two of their most popular projects.
8 Source: http://www.indiegogo.com/projects/the-matterform-3d-scanner
9 www.wijzijnsport.nl/crowdfunding
Likewise, Hui and colleagues (2014) emphasized that “crowdfunding has emerged as the most recent Internet based technology to support community in entrepreneurship. Crowdfunding provides a new way for entrepreneurs to solicit financial support from a distributed network that can range in size from dozens to thousands of supporters” (Hui, Greenberg & Gerber, 2014, p. 1)

In this context, two important aspects are worth to point out. First the influence of group action in crowdfunding, and second the use of social media tools in these crowdfunding projects/ventures.

2.5.1 The Power of Group Action

As Shirky (2008) has claimed, the power of group action can achieve projects and tasks that one person alone would never manage to achieve. People develop tasks in groups and accomplished more challenging goals than working individually also before the internet. Nevertheless, is only when social media appeared that the power of group action took an essential role when developing projects and accomplishing challenging goals was involved.

Shirky (2008) also explained how big of an impact can group action have when the right social media tools are used. This is essentially what happens in crowdfunding projects. Even though is true that nowadays in the majority of cases, people need to use social media in order to fulfill an assignment, it is still necessary to use the right tools to make the project attractive enough to get people interested and involved in it, which at the end of the day is what crowdfunders are seeking. In other words it is not only about using social media, it is more about how and how often we use it.

Narayanan and others (2012), argued for instance that “collectivity” bring success in commercial projects. Facebook is taken as an example on this paper. The Facebook community is so big that “if Facebook were a nation, it would be the third most populous country in the world after India and China” (Narayanan et al. 2012 p. 86) and it seems to be that exactly the size of the community is what makes companies treat Facebook as a united powerful group. As consequence,
hundreds of campaigns are taking place within the Facebook community which in many cases determinate the success of ailure of an advertising campaign. According to Narayanan and colleagues (2012), Starbucks is a good example of a succesful campaign due to the power of the Facebook community. Starbuks created an advertising campaign on Facebook in order to get attention for their new drink “Pumkin spice latte” and the project was called “Pumkin spice latte challenge”. Facebook users were asked to bring the drink to their local Starbuks before its official release. The success was so overwhelming that the Facebook page crushed for a few minutes due to the massive participation (Narayanan et al. 2012).

This example illustrates how (online) communities, and the power pof their actions can determinate success for several campaigns and projects. Internet adds the “massive factor” to participation in projects and that occurred several times already with crowdfunding initiatives.

2.5.2 Using Social Media

In order to define what is the relationship between crowdfunding and social media, Shirky argues that: “There is no recipe for the successful use of social tools. Instead every working system is a mix of social and technological factors”. In other words, there are not specific good or right tools that will guarantee the success of every single project, but specific tools for the right project (Shirky, 2008, p. 260)

When this statement is taking to the crowdfunding scenario, it is notable that it also applies to this fundraising technique. It is not sufficient to have a good reason to raise money, it is also necessary to have the right contacts and the right tools. As reported by Shirky (2008) even for handling failures, people still need to have the right contacts as well.

But how do users know which tools are best for a crowdfunding project? Talking about social media tools in this context is referring to all the strategies that people can use in order to enhance their
online project. For example, this entails social networks such as Facebook and Twitter to share pages, Google analytics to measure the popularity of a project, the creation of a timeline in order to let donors know about how the project started and developed, write a blog that will give development to the project, add videos on the crowdfunding page to update donors about the latest affairs related to the cause, etc. Since the main focus of this thesis is on how people use social media and not what social media tools are available, there is not going to be a deep explanation of each of them.

For the sake of starting a crowdfunding project, it is fundamental to have a good reason to raise money or at least, to make it appealing enough and to set realistic goals. Asking help for a project that will never become true or it is not practical enough, will limit the impact it can have in the crowd. Interesting enough, all the possibilities that social media offers currently makes this decision harder. Of course, it depends on the project, on the goals, knowledge of tools and target group of fundraisers. Choosing tools based only on what one wants to achieve is not sufficient, the decision has to include the point of view of the audience and what they feel more attracted to.

Narayanan and colleagues (2012) listed four different reasons why social media is useful for commercial projects. According to their analysis, social media provides the opportunity to “engage in conversations, develop a rapport with the audience, foster a community and accelerate sales” (Narayanan and others, 2012 p.89) These qualities that social media can bring into a project are also the same if it is translated to the crowdfunding scenario. Instead of accelerating sales, it can be said that social media and its tool accelerate participation and donations to crowdfunding initiatives.

Another important feature of social media is that project creators can measure the popularity of their projects with two important bottoms: “like” and “share”. These two features are mainly related to social networks and it gives the opportunity to creators to have a sense of the popularity of their project. The “like” bottom indicates how much support and empathy has the project within the social
network(s). The “share” bottom is about how many people are spreading the content of the project with other social networks users and therefore, how popular the project is becoming.

2.6 The “crowd” as fundraisers: Online behavior

After the reason to set up a project has been accepted, the phase telling the story comes into the picture. In accordance with Lundby (2008) in his stories about digital media “the way we express ourselves, through whatever medium available, is one of the key elements in how human beings have evolved since our ancestors started their quest for survival” (Lundby, 2008, p. 21). One of the most important parts of creating a crowdfunding project is how to tell the story, how to put the idea into words in a way that will make people participate in the cause.

Similarly, Hui and colleagues (2014) highlighted a few steps for the success of online communities. These steps can be translated to the crowdfunding scenario as follows: it is important to motivate people to join the cause, fundraisers should try to reach potential donors as personal as they can, send clear messages and set the page in a way people can also react easy, get as many people as possible to join the cause, guarantee donors that their participation is essential for the wellbeing of the project and urge people to join as soon as possible (Hui, Greenberg, & Gerber, 2014).

In addition, Hui and others (2014) identified five steps to guide fundraisers to set up a crowdfunding project, which includes: preparing campaign content and initial prototypes, testing the campaign material, publicizing the crowdfunding project to potential supporters, following through with project goals, and reciprocating resources to the crowdfunding community (Hui, Greenberg, & Gerber, 2014, p.4).

A question that appears at this point is what are the strategies that people should use to present themselves and their stories to the audience? What is necessary to make themselves “likeable” here hast to come share and like enough for people to follow them and their stories? This is when online
behavior becomes essential. Among several hypotheses, a very interesting one is offered by Luppicini (2013) who argued that “individuals create online selves based on their offline selves; they use similar communication strategies to present themselves online on the same way they do offline” (Luppicini, 2013, p.64).

Having an account on Facebook, for instance, will let online friends know past events and posts from different stages of one’s life, giving them the opportunity to access one’s story. Even though is not possible to confirm if everything written on Facebook is real, it could be assumed that many of the stories are true but what makes it interesting is how the story is told and how readers interpret it.

Once the story has been told, the next fundamental step is which media tools will enhance the project, make it popular and attractive to supporters. The research by Hui, Greenberg and Gerber (2014) demonstrates that is very difficult for fundraisers to choose the adequate social media tools as they are not well informed about how they work in general. Project creators have to rely on the online community by taking as model similar projects from other fundraisers, reading and getting advices from people with experience on setting crowdfunding projects. In the study, fundraisers also reported getting prepared by studying other crowdfunding causes and follow some of the initiatives that they see online (Hui, Greenberg, & Gerber, 2014).

Another important aspect that was found in the mentioned research was that some fundraisers tested their material for their crowdfunding projects by asking for feedback from their own social networks. The study found that people who tested their projects first were more successful than those who did not (Hui, Greenberg, Gerber, 2014).

In a more in-depth study, Gerber and Hui (2013) listed a number of reasons why people will feel motivated to create a crowdfunding project. The first reason is that crowdfunding platforms provide an easy and organized way to ask and to get financial support from many people in a network. The second reason is to expand “awareness” of the work of fundraisers by publishing their
crowdfunding project. The third reason is to connect with people through a long-term interaction that will keep donors as future sources of investments for their projects. Finally they found as a fourth reason that setting up a crowdfunding project forces crowdfunders to experience different things besides their area of expertise (Gerber, Hui, 2013).

2.7 The “crowd” as donors: Altruistic behavior

Donors need to believe that not only them but also other people will participate and find this community satisfying as well. According to Shirky (2008), there are some tools that actually make a project more attractive to donors such as finding the easiest way to make donors participate and contribute, and finding a “personal value” for donors in order to make them sympathetic towards the cause. In addition, donors feel more satisfied if they can keep track of their “investment”. This is to say, when they see how their money has been used and what is actually happening with the project; therefore, when this channel of communication is actually available between donors and fundraisers, the chances of donors of regretting their donation are quite low.

On the other hand, is also important to analyze the reasons why supporters will be willing to donate money to certain causes. As Hemer (2001) has pointed out in his study, donors are not only motivated by physical rewards, but by many other kind of rewards such as: a) identification with the goal and reason of the project, b) contribute to an important social cause, c) satisfaction of being part of a certain kind of community, d) satisfaction from observing the realization and success of the project funded, e) enjoyment in being engaged in and interacting with the project's team, f) enjoying contributing to an innovation or being among the pioneers of new technology or business, h) the chance to expand one’s own personal network and i) the expectation of attracting funders in return for one's own crowdfunding project (Hemer, 2011, p.14).
Similarly, Gerber and Hui (2013) identified different online behaviors from supporters; nevertheless, the “Online Philanthropic Behavior” is the one that concerns this thesis. It is defined as follows:

“Online philanthropy is online giving of financial and social capital to promote human welfare. Researchers find that supporters are motivated to give because of feelings of sympathy and empathy toward the cause, feelings of guilt for not giving and hope of strengthening their social identity and social status” (Gerber & Hui, 2013, p.5).

The main reason why the definition of “online philanthropic behavior” is important for this thesis is that it could be assumed that when people donate money for personal causes, it is because they would like to contribute somehow to achieve the goal of the project. However, supporters are aware that there are not rewards or any kind of profit can be made per donation. In the analyzed cases in this study, none of the fundraisers offered anything back to their donors, except for occasionally personal thank you emails, and updates of the projects. Therefore, it can be assumed that people take philanthropic actions when it comes to make donations for personal projects, knowing that they would not receive anything in exchange. This is the case of most causes in our case study.

III. CROWDFUNDING PLATFORMS

Crowdfunding platforms are websites that facilitates crowdfunders to set up a project and supporters to donate the money. These platforms have a high amount of activity and traffic; most platforms do not do more than “offering a website to present the projects, proven procedures and the software through which the financial pledges are collected and administered” (Hemer, 2011, p. 10).

Because of the inexperience of fundraisers, these crowdfunding platforms have emerged and multiplied rapidly to cover the demands of project creators. The first crowdfunding platform was launched in 2001 and until today the number has grown to more than 450 platforms worldwide, which
together raised $1.47 billion (1.08 billion EUR) in donations. Crowdfunding platforms charge fees for processing donations, which means that they reported incomes for more than $60 million (40 million EUR) in 2011 (Gerber & Hui, 2013).

Gerber and Hui (2013) also propose four different business models of crowdfunding platforms. First, the "threshold pledge model" which is the one that platforms such as Kickstarter use: also called the “all-or-nothing model”, its main characteristic is that the platform and the fundraiser agree on a concrete period of time for people to donate money (between two weeks and a few months); and a “threshold”, which is the amount of money that the fundraiser must achieve within the established period of time. Until the goal is not achieved, no financial transactions are making. The second model is the “All and more model” which has the same characteristic as the first model with the difference that fund-raisers do no need to achieve their financial goal: they will still receive the amount of money they had raised even if the goal was not reached. Platforms such as Gofundme utilize this model with their fundraisers. The third model is the “Investment or equity model” where the fundraisers and the platforms set a financial goal and the time frame in which they would like to achieve the goal. Here comes the differential feature: the platform and the fundraiser divide this threshold into thousands of equal amounts and are offered on the crowdfunding platform as “equity shares” to donors (in this case, investors) at fixed prices. Finally, there is the “holding model” which establishes that the platform must create a subsidiary company as “an individual holding for each of the crowdfunding ventures that has to be fund. Each holding owns the shares of "its" venture and sells them to the crowd” (Hemer, 2011, p.p 15,16)

3.1 Crowdfunding platforms around the world

With the growing of crowdfunding, the number of crowdfunding platforms has also increased considerably. Because it is assumed that people who want to start a crowdfunding campaign are
typically not the most experienced with internet tools and with setting up projects, (and this is particularly true for people with personal need projects) these platforms help every fundraiser not only to create their project, but also to keep track of donations, shares, as well as advices to get more traffic and to generate a bigger impact on the crowd.

The business of crowdfunding has become so lucrative for many of these platforms (every platform charges a certain amount of money for campaign and also maintenance of the page), that nowadays is possible to find platforms that set up specialized crowdfunding campaigns and different types of models. To get a better idea about what kind of platforms can be found on the internet as well as what kind of crowdfunding campaigns have been created, nine of the most important crowdfunding platforms will be briefly described what follows. The list of crowdfunding platforms where chosen by the researcher based on popularity, this is to say the number of projects and amount of total money raised. In addition, two platforms from Europe and one from Australia were included, (being the other six based in the US) to illustrate crowdfunding outside the United States of America.

a) Kickstarter

Figure 1, Screenshot of welcome page of Kickstarter (February, 2014)

Launched in April 28, 2009, Kickstarter (www.kickstarter.com) is the most successful reward-based crowdfunding platform up to now. Since its inception this platform has raised approximately $220 million from 61,000 projects. The site is originally designed to launch creative and/or artistic projects, from original products to movies or music albums. It is not meant for businesses, charities, or
personal financial needs. Deadlines and goals have to be determined before the starting of the projects. Kickstarter works according to the all-or-nothing policy. Crowdfunders only get their money when they accomplish their goal. The website also charges a fee of 5% for each project. The payments are due through Amazon payments and only citizens from United States, UK, Canada, Australia and New Zealand are allowed to create projects.

b) Indiegogo

Indiegogo (www.indiegogo.com) was launched in 2008 by three online fundraisers: Danae Ringelmann, Slava Rubin, and Eric Schell. It is an international platform where everybody can raise money for different kinds of projects. As with Kickstarter, in order to create a project with Indiegogo a financial goal and a deadline need to be set. This platform charges 4% from all donations and uses paypal as their payment system. The difference is that if project creators do not raise their goal, they can either refunds the money to all their donors or keep the amount of money they raised but with a fee of 9% from the website. The most successful project within this website was the one launched by Canary, a company interested in home security features. The project was called “The first smart home security device for everyone”. The project raised $1,961,494 (American dollars) which overwhelmingly went over all expectations. This project was created in July 22, 2013, with an initial goal of $100,000.
Razoo (www.razoo.com) is a crowdfunding platform that allows making donations for charities and non-profit organizations. More than 14,000 organizations have collectively raised $165 million. People can either create their own page dedicated to raise money for a charity they wish to support or to donate money to all the charities and organizations already listed on the website. The unique feature of this crowdfunding website is that people can give to each other “giving cards” that they can use to donate to the charity of their choice, just like receiving a gift card from a normal store.

In addition, Razoo is one of the few platforms that collect money by organizing “giving days”, campaigns that seek to raise as much money as possible in a period of 24 hours for a determinate cause. Their most successful giving day was in Minnesota in 2012, where they raised $14 million.

Razoo decided in 2013 to enter into the peer-to-peer crowdfunding world. Now the site is also raising money for personal causes.
d) Crowdrise

Founded in 2010, Crowdrise (www.crowdrise.com) is a platform that raises money exclusively for charity and non-profit organizations. This donation-based platform is based on the slogan “give to receive” which evokes a virtuous proem by which the more people contribute to a cause, the more one contribute with causes, the more people will contribute back when one ask for donations. Crowdrise also incentives fundraisers to “have fun” while they raise money; in other words, they ask people to engage in different kinds of activities and post them on their page in order to attract more donors and visits to the project page.

As its unique feature, the site implements a points system for all causes and organizations. When people donate money, they can also give points to the organizations they are donating money to. In addition, they need to briefly explain why they chose certain causes. The interesting part about this point system is that it helps the platform realize which organizations are succeeding and why, and also allows organizations to see the points of other organizations, which helps to create a competitive spirit, and to maintain high the level of activity of each organization or fundraiser.
e) GoGetFunding

Figure 5, screenshot of welcome page of Gogetfunding (February, 2014)

This platform, launched in 2011 by Sandip Sekhon, has quickly grown and become one of the most popular alongside with the oldest ones like Kickstarter and Indiegogo. Gogetfunding (gogetfunding.com) has a similar structure as Gofundme, our case study platform, since it is also dedicated to help people raise money for personal causes and life events. This website is one of the cheapest websites when it comes to charging fees per donation. It takes a 3.5% of all the collected money.

One of its main advantages, according to users of this crowdfunding platform is their excellent customer service, which has a policy of helping fundraisers with a maximum of three hours waiting time. The website in general is very user-friendly and people from all over the world can donate money through Paypal. Unlike Gofundme, this website has a lot of traffic coming from different parts of the world, which means that most causes are funded not only by people within the network of the fundraiser, but also by donors all over the world. They also allow fundraisers to set deadlines or to keep their project open until they find it appropriate, depending on the situation of each person.
f) Fundedbyme

Figure 6, screenshot of welcome page of Fundedbyme (February, 2014)

This Swedish platform (www.fundedbyme.com) was launched in 2010 and has become popular within entrepreneurs among Europe. As it is stated in its welcome page, it has already raised 4,226,502.60 euros from 29640 investors across Europe. It is the first crowdfunding platform in Sweden. One interesting feature about this website, is that although the platform’s official language is English, entrepreneurs can launch their projects in their own language (mainly Scandinavian languages), if they desire to form a local network or community. This is reward-based platform, where entrepreneurs submit a project and after it is accepted they can start raising money. The website offers a community of entrepreneurs where people can also look for projects that they find interesting and invest money if they desire.

g) Crowdfunder

Figure 7, screenshot of welcome page of Crowdfunder (February, 2014)
Crowdfunder (www.crowdfunder.co.uk) is one of the biggest platforms in the UK. It recently partnered with peoplefund.it, another successful platform, in order to combine efforts to create the most powerful crowdfunding platform in the UK. This platform is also reward-based and is oriented to creative and community projects. Since they started it has launched more than 3000 projects and have risen over £1,000,000.

h) Rockethub

Rockethub (www.rockethub.com) is a reward, donation-based platform that supports art, sciences, and social projects. Launched in January 2010, Rockethub has a similar structure as Kickstarter, although the main difference is that people can get the money raised without reaching their target. Nevertheless when people reach their goals, the platform charges 4% of the entire amount raised, plus another 4% for processing fees. When people do not reach their goals, the platform charges the normal 4% plus 8% processing fee in order for people to take the money. Recently, Rockethub had partnered with the American TV channel A&E networks, to launch the “projectstartup” which aims to support the businesses of aspiring entrepreneurs. A&E is selecting projects in order to fund them with seed money from the current community in the platform.
i) Pozible

Pozible (www.pozible.com) is an Australian Crowdfunding platform launched in May 2010. This reward-based platform was created to help creative people to fund their projects. It is popular among filmmakers and artists in Australia, which has helped many people to achieve their financial goals. Like Kickstarter, it implements the all-or-nothing model, which means that only projects that meet their goals are funded. The platform has raised 15 million Australian dollars from more than 4400 projects. The biggest project within the website was launched by IRL Shooter, a video game production company, in August 2012. The project was called “Patient 0” and it was about creating a real life multiplayer role-playing zombie game. The project raised 243,480 Australian dollars, from an initial goal of AUD $10,000, breaking all crowdfunding records at the moment in Australia.

IV. RESEARCH DESIGN

The aim of this study is to analyze the crowdfunding platform “Gofundme” in order to study the online behavior of crowdfunders and to find out whether this behavior determinates the success of failure of the crowdfunding project. In addition, it is one of the purposes of this thesis to contribute to research related to crowdfunding for personal causes instead of for commercial ventures or companies.
Because the main focus of this paper is crowdfunding for personal causes and the relationship between the use of social media tools by fundraisers and its impact on projects, the following questions and sub-questions are addressed:

4.1 Research questions

✓ What is the role of social media in the achievement of fundraising goals for personal causes?

As it has been analyzed in the literature review section of this paper, social media plays an important role for commercial projects in general. The addition of the “massive factor” is what social media offers to campaigns, projects and ventures. It has also been mentioned the importance of social networks in crowdfunding ventures, more precisely for reward-based crowdfunding. In this paper, it is argued that social media also plays an important role in crowdfunding for personal causes. Independently of the nature of the cause, social media plays a major role when it comes to achieve the financial goal that a person has set on a fundraising platform. Nevertheless, it could be suggested that in order to succeed with the personal cause, is not only important to publish the cause, but also to use all possible tools that social media offers besides social networks. (e.g. writing a blog, creating a timeline, etc)

✓ What are the strategies that fundraisers tend to use within the social media context in order to achieve their financial goals?

Fundraisers use different strategies to approach their donors. Nevertheless, it seems to be that the more fundraisers are active online, and the more updates, links and videos they post, the more popular and attractive their cause becomes. While this does not necessarily mean that people will donate immediately as a reaction a high level of online activity “puts the cause” in front of the donor, and it makes it easier for the potential donor to decide whether he wants to help or not.
4.2 Sub-questions

In order to explore more in-depth the relationship between social media and crowdfunding projects which is the main question of this study, the following sub-questions had been addressed.

✔ Does number of friends on Facebook play a role when it comes to raise money for personal causes?

Studies in the past have focused on the relationship of amount of friends on Facebook and the amount of money raised per project (see Hekman & Brussee, 2013). Nevertheless, these studies have been performed on other types of crowdfunding, especially reward-based crowdfunding. Therefore, this paper addresses this relationship for what concerns crowdfunding for personal causes. The expected outcome is that the more Facebook friends a fundraiser has, the more donations he will get. Nonetheless, it is hypothesized that this does not necessarily mean that the financial goal will be achieved.

➢ Can a fundraiser measure the success of his cause by number of friends, likes or comments in the website besides the amount of money raised?

It is expected that the success of a cause can be measured not only by donations but also by number of donors, likes and comments showing support to the cause, which can make the story “very likeable” and popular. Nevertheless, supportive comments do not necessarily translate into donations; as a consequence, donations (the amount of money raised) will still be the major proof of success.

4.3 Case Study: Gofundme Platform

Figure 10, screenshot of welcome page of Gofundme (February, 2014)
From weddings, tuition fees, house renovations, starting businesses, medical bills to buying pets and go on holidays, GoFundMe helps individuals to raise money for any kind of personal project. In order to create a project is necessary to sign up on the platform, tell in a story what the money is needed for and make it appealing for people to donate.

GoFundMe is an online platform based in San Diego, California (USA), it was created by Brad Damphousse and Andrew Ballester in May 2010. This platform helps people to create their own webpages in order to raise money for personal causes, in exchange GoFundMe charges eight percent fee from each donation that fundraisers get, and also charge $9 (6.64 EUR) monthly to the owners of the websites for maintenance.

First, it is necessary to create a webpage within this platform in which the fund-raiser tells his/her story and what exactly his/her crowdfunding project is about. There are three types of projects that one can create: the first and most popular option is the “personal donation campaign”, where people can raise money for personal causes without deadlines, and they will get any money that has been collected even if the goal was not met. The second option is the “charity fundraising campaign”, where people can raise money for their favorite non-profit organization with the same rules as the first campaign. The final option is the “all or nothing campaign” which is also possible for personal causes, nevertheless, the major difference is that in this kind of campaigns fundraisers can only receive money only when their goal is achieved by a certain deadline. Fundraisers can choose to create their project in any of the following categories:

- National News & Events
- Accidents and Emergencies
- Animals & Pets
- Babies, Kids & Family
- Business & Entrepreneurs
- Celebrations & Special Events
- Community and Neighbors
- Competitions & Pageants
- Creative Arts, Music & Film
- Dreams, Hopes & Wishes
After the type of campaign has been selected, videos and pictures can be uploaded in order to help people to get more sympathetic about the cause and donate money. It is required to set a goal (how much money people want to collect for that particular cause) and share it on personal social networks, aiming to get donation from friends and family, and also from friends of friends.

The webpages are automatically linked to an account WePay (for US donors) and PayPal for donors outside the US, which allows making payment with credit cards through internet in a safe way. In addition, Gofundme also allows users to keep track of donations and the status of their cause, as well as posting updates to remind people about what they are raising money for.

One interesting feature about this platform is that fundraisers get their cash immediately; they do not need to wait until the goal has been reached as it happens with other platforms. That seems to be one of the reasons that Gofundme is becoming so popular, since it gives them the feeling that they will get help anyway.

Other important aspect from this website is the projects people are raising money for. While many other platforms are quite specific about the projects they host: the websites giveforward.com and youcaring.com are aimed only for medical bills, Kickstarter.com is only for creative and artistic projects. The causes of Gofundme can vary from heavy to light events in life.
V. METHODS

In order to collect valuable data that would provide this study with useful results, the “direct observation” method was the one that suited this study the best. Due to the online settings of the analysis it was appropriated to choose a method that would allow the researcher to selected and analyzed cases without participating in the community. The purpose of the study was specifically to observe and compare cases and all features involved (amount of shares, amount of likes, etc.)

Likewise, available quantitative data is included in the results section in order to illustrate the current crowdfunding situation and the development of crowdfunding platforms, which is relevant information for this paper.

5.1 Online Direct Observation

The research method that suited this study the best was direct or “non-intrusive” observation, which means that the researcher does not participate or does not get any kind of involvement with the subjects he is observing. According to Trochim (2006) direct observation differs from participant observation in several ways. First, in direct observation the researcher does not interact at all, instead, his role must be as unobtrusive as possible to avoid bias on the observations. Second, direct observation is more “focused” that participant observation. The researcher is focused on a specific sampled group instead of trying to get involved in the whole context of the target group. Finally, direct observation takes less time to achieve results than participant observation (Trochim, 2006).

In addition, this research method offers the possibility to record the events as they occur. Therefore, “instantaneity” is perhaps the most powerful feature of direct observation. Taylor-Powel and Steele (1996) listed several situations when direct observation is more helpful that any other method. For instance direct observation seems as the most appropriate method of data collection when

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10 Source: online article from the Web Center for Social Research Methods. Article was last retrieved on February 7th, 2014. Link: http://www.socialresearchmethods.net/kb/qualmeth.php
direct information in its more pure form is needed; likewise, when it is necessary to understand an ongoing behavior, event, process or situation, direct observation is highly recommended (Taylor-Powel & Steele, 1996).

Following this line of thinking about direct observation, Mills and colleagues (2010) argue that direct observation “provides insight into the taken-for-granted aspects of everyday activities that may go unreported by participants, gives the researcher direct experience of the phenomena being studied, and creates an opportunity to see and hear what is happening in a social setting” (Mills, Durepos, & Wiebe, 2010, p.301).

### 5.2 Online Settings

The collection of the data for this study was fully gathered from the internet. Christine Hine (2005) validated the use of virtual methods arguing that “if people behave differently online compared to offline, this may well have implications for social scientists who use the Internet as a research tool. Indeed, there is considerable evidence that within a research setting, people also disclose more about themselves online compared to in offline equivalents, and that much of that disclosure is more candid” (Hine, 2005, p.25).

Fielding and others (2008) analyzed virtual methods and the most appropriate ways to perform them when carrying a research. They emphasized that in the “online world” scenes or a full event can be recorded and replicated later for research purposes, which can also happen in the offline world. Nevertheless, Fielding affirms that the “possibilities of recording, reproducing and analyzing interactions are more powerful” (Fielding, Lee, & Grant, 2008, p.31).

It is essential to understand the social features of online settings in order to use it as a research tool and to achieve effectiveness. Hine (2005) listed a few reasons why online research should also count as social interaction. Firstly, she argues that people tend to interact with computers as social
entes and secondly the flexibility of the internet-based setting offers different ways to personalized the interaction between researcher and participant (Hine, 2005).

It may be concerning that the researcher finds it difficult to get to know his participant only on the online settings of the research, nonetheless, replicating previous research here, it has been argued that individuals tend to become partly or entirely the “text they write”. People personal writing style and content can express features of personality. In consequence, a “pseudo-presence” has been created (Williams, 2007, p.11).

By adopting direct observation as a research method, the researcher performs the role of the “complete observer”. According to Norskov and Rask (2011), a complete observer in online settings means that the researcher would observe the online community and the activities that take place within this community. Likewise, it is also established that “The Internet creates the ideal conditions for unobtrusive observation as demanded by the complete observer role” (Norskov & Rask, 2011, p. 3.5).

In line with this line of thought, the platform GoFundMe\(^\text{11}\) was observed for a period of a month, approximately two hours per day during October and November of 2013. The purpose was to analyze the online behavior of the fundraisers as well as the responses they got from donors. Within the field notes, it was taken into account how did they tell their stories, how active they were on the platform, what online techniques did they use. In addition, post, updates, videos, and everything that fundraisers wanted to share online regarding their cause were analyzed as well.

What follows illustrates how the observation was conducted. 42 cases from the GoFundMe platform were carefully analyzed. The following categories were taking into consideration for results:

\(^\text{11}\) www.gofundme.com
- Topic of the cause
- Number of shares on each social network: Facebook, Twitter, Google Share, LinkedIn and Pinterest
- Total number of shares
- Number of Facebook friends
- Amount of money set as financial goal
- Number of donors per cause
- Amount of money raised
- Duration of the crowdfunding project
- Number of Likes on Facebook
- Number of comments written by people per cause
- Number of updates
- Frequency of update

When it comes to updates, it was also important for the researcher to find out which kind of updates fundraisers would write or post on their crowdfunding page. Therefore, updates were classified in the following categories:

- Regular update about the cause/issue
- Links, pictures, videos
- Thank you messages
- Messages encouraging to share the page
- Messages clarifying the purpose of the cause

In addition, field notes were kept during the whole observation process. The field notes contain extra information that the researcher found relevant in order to illustrate a particular issue or situation that would help clarifying the results and conclusions.

### 5.3 Quantitative data

Statistical information from the website that was useful for this study was taking into account. In order to answer some of the research questions proposed within this thesis was necessary to have statistical background information related to geography (where crowdfunding platforms are based),
social networks (amount of friends that each fundraiser have on Facebook), and number of donations per fundraisers. It is important to mention that only selected causes were analyzed. Due to time limitations, it was not possible to analyze all cases present in the platform, therefore final conclusions were drawn from the selected cases.

5.5 Sampling

In order to choose the crowdfunding projects that would suit the aim of this study, purposive sampling was used. As it is explained by Bryman (2008), the final aim of purposive sampling is to select cases/participants strategically (in purpose), so the results are more relevant to the primary questions of study of the researcher.

As a consequence, 27 cases were analyzed from the categories of “success stories” and “most popular cases” of the platform. Therefore, the cases that raised the most money or got closer to their financial goal were taken into consideration for analysis of use of social media tools. In addition, 15 causes with the lowest amount of money raised were also analyzed with the purpose of comparing social media management within the two groups of fundraisers.

VI. RESULTS

On this section of the paper, the results of the online direct observation and the available quantitative data are presented. First, a brief review of the current situation of crowdfunding will be introduced with the purpose of create a background for the reader. Later on, answers to the research questions and sub-questions will be provided based on the observation conducted by the researcher.

6.1 Current situation of Crowdfunding

Crowdfunding is rapidly growing and with it, the success of crowdfunding platforms. Even though most of the crowdfunding websites are from the United States, crowdfunding platforms have
spread all over the world, which can be taken as an indication of the success of crowdfunding. There are several platforms that specialize on different kind of crowdfunding.

Figure 2 shows the number of crowdfunding platforms in 2012 by country. There are not official records yet about 2013; nevertheless, compared to 2009, there is a 60 percent of grow in this market. The estimated number of platforms in 2012 was 536.

**Figure 11: Number of crowdfunding platforms on 2012, by country**

As the number of crowdfunding platform grows, the volume of money raised by them does as well. Figure 6 compares the amount of money fund by crowdfunding platforms since 2011, until 2013. Crowdfunding platforms went from collecting 1.5 billion US dollars, to 5.1 billion US dollars in a period of three years.

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Figure 12: Percentage growth of crowdfunding platforms worldwide between 2008 and 2012\(^\text{13}\)

![Percentage growth of crowdfunding platforms](image)

Figure 13: Estimated volume of funds by crowdfunding platforms worldwide between 2011 and 2013 (in billion US dollars)\(^\text{14}\)

![Estimated volume of funds](image)

There are some discussions about the exact amount of money that crowdfunding in general is collecting worldwide. For instance, Bratvold (2013), a crowdfunding expert, argued in an article published on the Daily Crowd Source website that crowdfunding platforms are not raising billions per year, but millions\(^\text{15}\). On the other hand, other platforms are claiming that in 2013, the crowdfunding

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\(^{15}\) To read the entire article see: [http://dailycrowdsource.com/content/crowdfunding/1183-crowd-leader-david-bratvold-crowdfunding-is-not-a-1-5-billion-dollar-industry](http://dailycrowdsource.com/content/crowdfunding/1183-crowd-leader-david-bratvold-crowdfunding-is-not-a-1-5-billion-dollar-industry)

The article was last retrieved on February 2\(^\text{nd}\), 2014.
market raised 5.3 billion US dollars. Even though some more statistics reports need to come out in order to clarify the number, according to Statista, this is an estimated number for the whole crowdfunding industry in general in 2013, including all models and purposes of crowdfunding campaigns, and not only for reward-based platforms like Kickstarter that are raising millions indeed.

6.2 The role of social media in order to achieve fundraising goals for personal causes

As it has been argued in the literature review, the role of social media in the crowdfunding scene is fundamental. Almost every single platform encourage its fundraisers to actively use social networks in order to generate more traffic to their page and therefore, to generate more donations. Hekman and Brusee (2013), studied the impact of social networks on the projects launched in the crowdfunding platform Kickstarter. They made a selection of successful and unsuccessful cases as well as an analysis of the Facebook network of each fundraiser. The results of the study showed that fundraisers with more friends on Facebook but less dense network were more likely to succeed than fundraisers with less Facebook friends but a denser network (Hekman & Brussee, 2013). The results of this study also suggest that one of the advantages of having a large amount of Facebook friends is that it will guarantee attention from a group of people that later on can become even larger.

In line with earlier analysis, it was found that social media plays an essential role when it comes to raise money through crowdfunding projects. According to the findings of this study, it can be assumed that one of the biggest sources of donors when it comes to donation-based crowdfunding is Facebook platform. As it is presented in figure 15, the results of the online direct observation performed by the researcher of this study suggest that the number of shares collected determinates the success of most of the causes. Most of these shares come from Facebook.

17 This is an online article. Link: http://www.crossmedialab.nl/files/Hekman-Brussee2013-Crowdfunding-and-Online-Social-networks.pdf. It was last retrieved for the researcher on January 21st, 2014.
The higher the number of shares, the higher the amount of money raised. Of course this does not necessarily mean that it is always the case, as there might be other factors involved such as the theme of the cause and the types of updates that can predict the success or failure of a cause; nevertheless, sharing the cause seems one of the major reasons of success when asking money for personal causes.

### 6.2.1 Number of shares

Gofundme platform allows fundraisers to share their cause in five different social networks, which are: Facebook, Twitter, LinkedIn, Google Share and Pinterest. It was found that the majority of shares took place on Facebook, followed by all the other networks. As it is shown in figure 8, among the 27 successful cases analyzed, 91.6% out of the total number of shares came from Facebook, followed by Twitter with a small percentage of 7.6% and Google Share, LinkedIn and Pinterest with less than 1% each.

This leads to the conclusion that sharing the cause on Facebook (and invite people to share as well) seems to be the most powerful tool to make the cause popular, and therefore to get a higher

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18 This table was created based on the 27 analyzed cases of gofundme. The number total of shares was 32,327 for all the causes.
number of donations. This may be one of the reasons for the platform to strongly encourage fundraisers to publish their projects on their personal social networks.

Likewise, the findings of this study also suggest that the higher the financial goal is, the higher the number of shares will need to be. When analyzing the platform, it was found that many fundraisers set a goal for less than $5000 (3685 EUR). Nevertheless, it was still necessary at least 150 shares, in order to achieve the financial goal$^{19}$. Based on the observation carried out, most of the unsuccessful causes that were analyzed did not achieve more than 150 shares and therefore did not succeed to achieve the financial goal set at the beginning of the project.

There were exceptional cases, where even though the number of shares was really low (e.g. less than ten) the fundraiser still managed to accomplish his goal. However, the financial goals were also very low (e.g. less than $2000), and it seem to be that many people donates without sharing the page.

One interesting case that is worth to mention in this section, is the cause of Diley Bernal, a mother of an autistic boy collecting money for his therapy. Bernal set a goal of $2000 (1474 EUR), and even though she accomplished her goal, the number of shares she had was very low (only nine shares), as a consequence, it took her almost a full month to collect the money, whereas for other people with a higher number of shares, it takes less than a week.add data Bernal had a reason to raise money, nevertheless what may had stopped people from sharing the cause in this particular case is that her crowdfunding project was presented in Spanish$^{20}$. Gofundme is an American website in which English is the official language. They do not have (as other platforms now a days) a section to choose languages, although is possible to create a project in a different language.

$^{19}$ According to the field notes of the researcher, most causes with a numbers of shares below 150, do not succeed in accomplish the financial goal.

$^{20}$ Diley Bernal is a Hispanic woman leaving in The United States of America.
Bernal was one of the few cases of people creating projects in languages other than English. Most of the fundraisers, even if they come from other countries than the US, create their projects in English because it seems to facilitate increasing shares.

6.2.2 “Please share the page”

Other aspect that was relevant in the findings was that the more fundraisers will encourage friends and donators to share the page, the more shares the page got. During the observation process, it was interesting to find out that in several cases, the fundraisers insisted on writing messages asking donors to share the page. These messages seemed to be more effective than posting only updates\(^{21}\).

Besides writing messages with the purpose to share the page, people also kept track of the shares and write messages about the numbers of shares they were getting day by day and expressing their happiness about it. This also seemed to incentive donors to continue sharing the page.

\(^{21}\) This affirmation is inferred from the results of the study of the researcher. It is based on the selected cases, therefore generalizations are not possible.
6.2.3 Number of Likes on Facebook

The number of likes on Facebook is also fundamental to achieve financial goals of crowdfunding personal projects. As it is suggested by the results of this study, the number of shares tends to be as much as the number of likes on Facebook. Figure 9 illustrates that there are almost no differences, or very small ones between the number of shares and likes of the each of the crowdfunding causes on Facebook.

Figure 17: Comparison of number of shares and likes on Facebook per crowdfunding project\(^{22}\)

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\(^{22}\) Selected cases only.
According to this figure, it can be established that donors tend to like and share the page at the same time.

6.3 Techniques fundraisers tend to use within the social media context in order to achieve their financial goals

Surprisingly enough, people who collect money for personal causes do not use as many techniques as it was hypothesized in the design section of the study. There are a few factors that can help the cause to get more donations, nevertheless, if the cause does not appear in the “most popular” section of gofundme and if does not get more than 150 shares on social network platforms, the chances of the project to succeed are much more limited, particularly if the fundraiser has set a high financial goal.

The results of this study showed that there are only few fundraisers with experience on social media that will use different tools in order to increase their donations. For instance, Exal Iraheta (one of the selected cases) an American student with a Hispanic background created a campaign in order to pay his debt with one of the banks that financed his university education. He started by narrating in a detailed way his situation and asked for help. He posted a video of his parents supporting him with the project. He shared the page and posted many messages asking to share the cause but also updating people about the number of shares and the money raised. The particular part was that he rewarded his supporters by creating funny videos on YouTube and posting it on the website. He also shared links about how expensive education in the United States can be and how banks take advantages of situations like this. All this activities helped increase his number of shares and achieve his financial goal.
6.3.1 Complementary factors that help increase the chance of success in crowdfunding projects

a) Topic of the cause

When it comes to raise money for personal causes, the topic of the cause also plays an important role. In line with the findings of this study, topics that would involve higher sympathy from donors will get more donations than those that do not. Within the categories in gofundme, medical and healing for instance is the one that raises more money and has more causes than other categories. Figure 10 shoes the most popular categories of gofundme platform based on the number of crowdfunding projects that each category has (usage activity).
The category “Medical and healing” is full of projects of people who does not count with medical insurance but has to deal with illness such as cancer, and cannot afford the expenses of medical treatments. This seems to attract many donors, which cooperate with shares and money and as they say in their own comments they feel it is necessary to help.

One example that should be mention is the one of Paula Petrosino. She managed to get more than 2000 shares when asking help for her handicap and cancer survivor song. Her son is still fighting against cancer and trying all possible treatments, which seem to inspired people to help and to donate as much as they can.

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Many cases like this can be found in this category, which activates the emotional factor more than all the other causes. People feel the need to get involved collectively and to help as soon as possible. Paula Patrosino raised $42,225 (31,175 EUR) out of $10,000 which was her financial goal.

b) Storytelling of causes

According to many scholars (see Lundby, 2008 & Luppicini, 2013) how to tell the story, is probably one of the most important steps to aim for success. Since emotions are involved in a great deal in donation-based crowdfunding, telling a story that generates sympathy on people seem to attract more donations. Keeping order within the story and share as many possible details is assumed to be one of the factors for people to share and donate the cause. As an example, the story of Holly Mckenna\(^{25}\) will be reproduced in order to illustrate the findings that the more emotions and details are involved in the message, the more willing people will be to help:

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\(^{25}\) For the entire text see: http://www.gofundme.com/lyvbnk. Last retrieved, January 22\(^{nd}\), 2014.
In November of 2011, my husband was diagnosed with Stage 4 Prostate Cancer. His cancer had metastasized and spread throughout his entire skeletal system, making it extremely painful for him to walk. The very same day of my husband’s cancer diagnosis, his father passed away from bladder cancer. As we mourned his father’s passing and the news of his own cancer, incredibly a little miracle was only a day away. I, Holly, gave birth to our second son, Brody, a sweet, calm and healthy boy. The next months were filled with constant testing and trips to multiple doctors in order to get a better understanding and course of treatment for my husband’s late-stage, terminal cancer. We stayed strong, but understood that our lives and relationship had changed forever overnight. We knew we would have to be strong for each other, as well as our two young sons.

My husband has been undergoing various treatments to help slow his cancer and rebuild the strength of his bones. He has ups and downs and there is no cure for his stage of cancer. There were times when the doctors didn't think they had any options left. Thankfully this fall 2012 we were blessed with another new drug that has again started to help control his symptoms. He is feeling better and responding positively to his new treatment and we pray that it continues to slow his cancer and control his symptoms. Thank you all for your continued prayers. Prayers are so powerful!! Pray as we might, our journey seemed to become more muddled than clear. Over Memorial Day weekend, my father passed away from pancreatic cancer. Then in June, I was diagnosed with Stage 3 Colorectal Cancer. Talk about feeling like your life was spinning out of control!!! When I heard my diagnosis, I didn't cry. All I kept thinking was I have to be strong and I HAVE to fight this! I HAVE to be there for my babies. At least one of us needs to be around for our young children.

Things quickly progressed with my treatment. Brody was seven months old at the time and I had to stop nursing him in order to undergo treatment. That was especially emotional for me, but I knew I had to take care of me in order to ultimately take care of him and his brother. I had many procedures and tests, including six weeks of both chemotherapy and radiation that started in the middle of July. Considering the location of my cancer; radiation was really tough, but I made it through and continued to work every day. I would teach my third grade class, then drive to radiation, drive home and take care of the kids, house, and husband. We ultimately had to give up our two dogs, Ginger and Peanut because we could no longer give them the love and attention that they needed. It is and has been a crazy and physically painful time, but God gives you the strength you need, when you need it!

Figure 21: Screenshot of the crowdfunding project of Holly Mckenna

“..."
In October of 2012, I had surgery that removed my entire rectum. My surgeon rebuilt a new one for me using the healthy parts of my colon. I then had 17 lymph nodes removed and a total hysterectomy, due to the path of the cancer. A colostomy bag is now attached to my abdomen to take over the job of my colon and digestive system.

My doctors feel that they got all of my cancer. I'm currently in cycle 6 of 12 cycles of additional chemotherapy. I'm still teaching and so blessed to have wonderful coworkers, friends, and my family surrounding me near and far. My chemotherapy will end in May and hopefully my last surgery will happen in June.

Ultimately, this has been an emotionally, physically, and financially draining time for our family. Though we have insurance, our medical bills for 2012 were well over $10,000. This is something that we will continue to see throughout this year and ultimately every year to some degree, considering my husband will have treatment for the rest of his life and I will have multiple tests and procedures to check for reoccurrence.

Many of you know that I'm not a person that asks for help. I would rather just smile, say things are "OK" and giggle. But the truth behind my smiling face is it is tough and we need help. I know everyone has their own life struggles and if this is something you cannot contribute to, a simple prayer will be perfect!

If you would please help us spread the word to others you know--those who may also be able to help--our family would greatly appreciate your time, help, love, prayers and efforts. Thank you!”  

(Holly Mckenna, gofundme project, March 2013)
These are the causes that get the most detailed updates in the website. When referring to detailed update, it means updates that will offer the audience a lot of information, in which all possible details are included.

**d) Links, pictures and videos**

Posting pictures and links and uploading videos can also contribute to the success of the cause; nevertheless, according to the findings of this study, it does not seem to have a significant impact in the success of the cause. From all the causes analyzed, it was remarkable to find out that people do not use these tools of social media in order to get more donations. Instead, posting narrative and detailed updates seems to be preferred by fundraisers. Writing “thank you” messages or messages encouraging to donate and to share the page are also important for fundraisers.

One of the reasons to explain these results could be that most of the people who raise money for personal causes are not familiar with social media tools. Therefore, they much rather to write about how the project is developing and sharing the latest news about the issue they are asking money for, than put effort on learn how to use social media tools, even though most of them are aware that these tools could improve their project to a certain degree.

**6.4 Does number of friends on Facebook play an essential role when it comes to raise money for personal causes?**

The results of the study showed that the number of friends on Facebook does not play a significant role when it comes to raise money for personal causes. Even though it can help to get more exposition online, this factor does not guarantee the success of the cause. Figure 11, compares the number of shares that each cause got with the number of friends on Facebook that fundraisers have.
According to the figure above, it can be assumed that number of friends does not predict success or failure. As it is possible to observe, some fundraisers had many friends on Facebook, nevertheless the number of shares is relatively low in comparison. On the other hand, some fundraisers have few friends but a high number of shares. In consequence, it cannot be argued based on these findings that number of friends on Facebook is fundamental to achieve the financial goal of fundraisers. Nevertheless, most of the project creators have at least more than 150 Facebook friends.

6.5 Is the success of a cause only measured by numbers (amount of money) or can also be measured by number of friends, likes or comments in the website?

As it has been argued before, the number of friends on Facebook do not determinate the success of a cause. On the other hand, the number of likes on Facebook together with the number of total shares determinate the success or failure of a cause. In line with these findings, it could be established

\[^{26}\text{This table is extracted from the data collected for the researcher. The conclusions are based on these results.}\]
that these factors contribute and predict to a certain extent the success of a cause which is measured in principal by the amount of money raised (whether they achieve their goal or not). In other words, there seem to be a positive relationship between number of likes and number of shares as it was already shown on figure 7. This is the more shares and likes, the more money fundraisers will collect. Moreover, as it was hypothesized, the success of a cause will still be measured principally by the amount of money raised.

**VII. CONCLUSIONS**

This study focused on donation-based crowdfunding platforms. More precisely, the main interest of this thesis was to explore more in detail crowdfunding for personal causes, and how people use social media tools in order to achieve their financial goals. Specifically it was the main interest of the researcher to answer questions such as: What is the role of social media in crowdfunding for personal causes? What were the techniques that fundraisers used within the social media context to achieve their financial goals? Does popularity within networks (number of friends on Facebook) determinates the success or failure of a cause? And can success be measured by other factors besides the amount of money raised?

The crowdfunding platform Gofundme was analyzed in order to answer these research questions. Our findings suggests that social media does play a fundamental role when it comes to raise money for personal causes. More precisely, the number of total shares (especially shares on Facebook) and the number of likes, seem to determinate the success of a cause. The higher the number of shares and likes are, the higher the amount of money raised will be.

On the other hand, it was interesting to find out that fundraisers for personal causes do not tend to use as many social media tools as it was hypothesized earlier in this thesis. Detailed updates and messages encouraging shares on social networks are their preferred tools according to this study. There
are a few remarkable cases where videos, pictures and link were a constant in the project, nevertheless it does not seem to significantly impact the success of the cause.

Striking enough was also to find out that the number of friends on Facebook does not guarantee the success of the cause, since the comparison between number of friends and number of shares does not seem to have a steady patron. However, it is important to mention that most fundraisers on Gofundme have at least more than 150 friends on Facebook. According to this, it could be assumed that less than 150 friends will decrease the chances of the crowdfunding project to succeed. Moreover, because the number between shares and Facebook friends are so different from each other, it is not possible to establish what the relationship is between these two numbers.

Finally, the findings also suggest that the success of a cause will still be measured in principal by the amount of money raised. There seem to be a positive relationship between amount of money raised and shares and likes. Therefore, it could be assumed that if a cause has raised enough money (achieve its goal) there is a high probability that the number of total shares and likes on Facebook is also high.

Comments were ruled out as a possibility of measurement since donors did not write enough comments in any of the causes.

7.1 Further Research

Crowdfunding for personal causes is a type of crowdfunding that is slowly starting to attract the interest of scholars and researchers. In this thesis, the main focus was to find out how fundraisers use social media tools to make their projects more appealing for donors. The findings suggested as it was detailed before, that fundraisers do not tend to use social media tools in general but only updates and encouraging messages. It was find out though as it was already mentioned by other researchers, that social media plays an important role in crowdfunding for personal causes. Since this paper focus its attention mostly on fundraisers, it could be interesting to find out the position of donors of personal
causes. What motivates them to donate money to a certain cause? as it was mentioned in this paper, emotionality is part of the reason for donors to collaborate with a personal project, nevertheless, the underline reasons for donating money to specific personal causes could still be further researched.

In addition, as crowdfunding platforms are expanding all over the world, an interesting approach will be that of cultural background related to creating projects for personal causes. Whether if cultural background influences the way social media tools are used by fundraisers in Gofundme platform remains unknown. The cultural factor could play also a very important role, and research about crowdfunding for personal causes based on cultural aspects is worth to study.

7.2 Limitation of the Study

The results of this study were based in online participant observation of 27 successful causes and fifteen causes that failure to achieve their financial goal. Conclusions were drawn upon selected cases, and not upon the entire Gofundme community. Therefore, these findings cannot be generalized within the platform as a much more extent study will need to be done in order to get official results for the platform. In addition, the study was conducted by one researcher who observed the platform for a period of time and draw conclusions from it. It could be argued that subjectivity may interfere when writing the results of the study, nevertheless all the information was extracted from the website which could be retrieved by other researchers.

Finally, it was not possible for the researcher to get official statistical records from Gofundme platform. Gofundme does not make their analytics available to the audience and as consequence; some official statistic information is still missing in this thesis.
REFERENCES


