

Why Do People Give Others Their Own Money? The Crowdfunding Phenomenon

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ABSTRACT

Crowdfunding is a form of funding for various types of projects by a community organized around a project. Funding is made through a large number of small contributions from people interested in the project, who in turn receive certain benefits (eg. discounts on the product to be produced as a result of the project, tickets, meetings, etc.). The dissemination of the project and the collection of funds is done with the use of information technology, most often with dedicated web portals (eg. kickstarter.com, youcaring.com, funded.com and others). Social, cultural and business ventures are supported by social funding, and support is provided by friends and family members of the project creators, as well as the broader community, most often members of the virtual community, or others interested in the proposed project. The idea of community finance was born in the United States at the end of the 1990s, and in Poland it has only been developing for several years. According to data presented by the portal polakpotrafi.pl, one of the leaders of the Polish crowdfunding market, monthly funds are collected for about thirty projects submitted, with a marked upward trend. The monthly amounts that are transferred through the portal are in the range of 300-400 thousand zlotys (Forbes, 2014). Aim of the research The research aimed at analyzing the psychological mechanisms of engaging in crowdfunding project. In particular, the two main questions were: Does the tendency to engage in crowdfunding actions depend on the type of the project? Does the type of anticipated benefits influence the tendency to transfer money? Methodology The study was conducted of a group of 80 respondents who filled in a designed questionnaire. There were six different crowdfunding scenario presented in the questionnaire regarding (1) project type (business venture, social project and charity) and (2) the type of the benefits obtained from the project (with personal benefits and no personal benefits at all). The respondents task was to declare the willingness to support each of the given projects. Results The results suggest, that the type of anticipated benefits may play a major role in willingness to support the project, even higher than the type of the crowdfunded projects. The highest willingness to fund was observed in projects connected with personal benefits, both in business and social aspects. The lowest probability to support a project was declared in case of a business project with group benefits (eg. ecological investments).

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