

Assessment of People's Perception Towards Crowdfunding

By

Sonam Dewangan

*Dissertation submitted for the partial fulfillment of the
MBA Pharmaceutical Management*

Academic year, 2018-2020



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CERTIFICATE

The certificate is awarded to

SONAM DEWANGAN

In recognition of having successfully completed

her Internship in the department of

Business Development

And has successfully completed her project on

An Assessment of People's Perception Towards Crowdfunding

Date: June 12, 2020

Organization: Impact Guru Technology Ventures Pvt. Ltd.

She comes across as a committed, sincere and diligent person who has a strong drive and zeal for learning.

We wish her all the best for future endeavors

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CERTIFICATE BY SCHOLAR

This is to certify that the dissertation titled “An Assessment of People’s Perception Towards Crowdfunding” and submitted by Sonam Dewangan Enrolment No.0155 under the supervision of Dr. Ashok Kumar Peepliwal for award of MBA in Pharmaceutical Management of the IIHMR University carried out during the period from March 2, 2020 to June 2, 2020. embodies my original work and has not formed the basis for the award of any degree, diploma associate ship, fellowship, titles in this or any other institute per other similar institution of higher learning.

Signature

ImpactGuru®



AN ASSESSMENT OF PEOPLE'S PERCEPTION TOWARDS CROWDFUNDING

BY - SONAM DEWANGAN
ASSOCIATE – BUSINESS DEVELOPMENT
IMPACTGURU

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Organization Profile

Impact Guru born with the mission to make healthcare access to all and saving more lives. It is a technical platform that gives you complete crowdfunding solution especially in medical cases to empower people, NGO and social enterprises to raise funds. The other categories in which Impact guru serves are personal needs, creative projects and social causes – be it big or small.

An Impact Guru is someone who found solutions to social problems, steps up to support another change-maker, who makes kindness a habit and dares to follow their dreams. This platform simply helps needy people . Impact Guru believes in individuals that holds the power to effect change and give right tools and the right backing, can become an Impact Guru themselves.

Impact Guru is an India's leading online crowdfunding platform that enables NGOs to fund their programs as well as individuals to fund their medical expenses, creative projects, hospital and personal projects. Alternatively, it allows you to donate to a cause you support.

What makes Impact guru stands out is that this is the only crowdfunding platform to have their own story builder and write emotional and realistic stories to help customers, as its major pain point in the industry today. It has an artificial intelligence supported medical fundraiser platform with a template for all campaigners to develop their own standardized campaign stories. It's a first in the world innovative crowdfunding globally in terms of medical crowdfunding.

ImpactGuru is also the first crowdfunding player in India to launch a smartphone app for customers. The app presents the user with a quick view of their fundraiser, thus enabling them to keep track of the progress of the campaign, get real-time donation notifications and post updates.

ImpactGuru.com has become the largest crowdfunding platform in India for medical expenses. In total, ImpactGuru has raised around Rs 950 Crore from over 2 lakh donors from 150 countries.

INTRODUCTION

Populations of the world is increasingly turning to the digital and online platforming everything likewise donation-based crowdfunding platforms is to solicit the financial help for healthcare expenses. On platforms such as the popular site Impact Guru and its competitor ketto and milap, patients, family members and supporters can build their online campaign by own using text, images, videos include evidence of receipt estimates as evidence and then easily distribute financial appeals to their advanced social networks using emails, twitter, facebook, Instagram or any social media platforms. Medical campaigns make up more than a second of all fundraising efforts on sites.

Crowdfunding, a method for funding new venture varieties allows individual founders of cultural or social projects for profit to request funds from many individuals for equity. Crowdfunding projects can range greatly in both goal and magnitude, from small artistic projects to entrepreneurs seeking hundreds of thousands of rupees in seed capital as an alternative to traditional investment.; either commercial or non-commercial. Here, the crowd funds small amount of money to accumulate into an investment large enough to startup or finance a project.

Crowdfunding is an aggregate exertion by individuals who does organizing and pooling their cash together through the web, so as to put resources into and bolster endeavors started by others or associations. New pursuits expect assets to succeed. Generally reproachful of crowdfunding is financing part. In the course of recent years, crowdfunding has risen as novel path for pioneering and clinical penniless individuals to tie down their assets without searching for adventure as same for clinical they don't have no recompense issues.

TYPES OF CROWDFUNDING

There are four main types of crowdfunding campaigns based on the return factor. The four types of campaign are:

1. Donation Based Crowdfunding
2. Rewards Based Crowdfunding
3. Debt Based Crowdfunding
4. Equity Based Crowdfunding

Donation Based Crowdfunding.



Donation based crowdfunding is a sort of subsidizing effort where individual or organization running their crusade isn't required to give anything, consequently to the donors. In this kind of crowdfunding effort, the group or state contributing people gives cash by any asset to the element running the battle since they need to help the reason. These kinds of crowdfunding efforts function admirably for encouraging social causes, networks, good cause, and so forth.

Rewards Based Crowdfunding.



Rewards based crowdfunding clarified as a financing effort where the people contributing their cash and hope to get fluctuating degrees of "rewards"; that compare to the measure of cash they contribute as far as vouchers of any shopping application or anything . Commonly, the prize is an item or administration that the organization running the crusade delivers or banded together with any goody association; gives some rebate to obtain item/administration. There are in any event three levels if remunerates fundamentally, however it might differ with the campaigners dependent fair and square of commitment. Prize based crowdfunding efforts will in general work especially well for quick moving buyer merchandise and other unmistakable items.

Debt Based Crowdfunding.



Debt/Obligation based crowdfunding depicted as the association, clubs or individuals runs the crusade hoping to acquire cash from different individuals. Consequently, the people consenting to loan cash to the organization get the organization's coupling pledge to reimburse the sum at set time spans and at a set

financing cost. In this individuals offers cash to the individual or association in return for a major I.O.U. Obligation based crowdfunding efforts are well known for business people who would prefer not to surrender value in their new businesses promptly or don't approach increasingly conventional kinds of credit office. They are additionally developing in ubiquity as a route for land engineer to support the ventures.

Equity Based Crowdfunding.



Value/Equity based battle clarified as an individual or individual contributing cash can hope to get some proprietorship in the organization who raised the assets. Put another way, the organization runs the battle is auctioning off a bit of its proprietorship like offers, intrigue, enrollment and so forth to every one of the individuals who are eager to contribute cash. Expecting that the organization progressing admirably, and the contributing individuals may understand an arrival on their speculation by getting a portion of the benefits as a profit, appropriation and so forth.

Value based crowdfunding in the U.S. has been on the ascent since the time the death of the Jumpstart Our Business Startups (JOBS) Act in April of 2012 and is relied upon to be perhaps the greatest wellspring of subsidizing for new businesses and private venture in not so distant future while in India it began from 2014. Current lawful and administrative limitations make this kind of pledge drive site the most intricate and expensive to encourage as they charge burdens in more sum. Value based crowdfunding efforts are being utilized increasingly more glad by business people and new companies looking for an option in contrast to customary

funding and financial specialists when searches for a capital implantation to take their business the following level.

Medical crowdfunding-can be clarified likewise with the utilization of site, fund-raise from contributors to pay the clinical costs. While as far as generally speaking subsidizing volume, this wonder is known for the specialty one. It is developed quickly in numerous nations and all the more no. of individuals as away to adapt to government cuts on general wellbeing financing. Inspecting the overall populace of social insurance crowdfunding stage, this investigation offers all around and cross-stage proof on clinical crowdfunding by giving appraisal of how and where medicinal services crowdfunding develops. Here we can investigate the connection between clinical crowdfunding and National Health frameworks. In this appraisal discoveries underpins the proof that the individuals bolster the wellbeing ventures more as contrast with other specialized tasks as wellbeing is identified with life and individuals persuade effectively as it is a piece of somebody's life. Wellbeing ventures is higher when the stage isn't speculation based and devoted towards the clinical or human services crowdfunding ventures.

Medical crowdfunding (MCF) or clinical crowdfunding is a quickly extending and to a great extent unregulated industry that is changing how Indians secure social and money related help amidst ceaseless, intense and perilous wellbeing emergency and infections. A large portion of the individuals go to MCF when different types of human services and clinical inclusion given by government and insurance agencies and social wellbeing falls flat, here now in India, where over 62% of populace are positioned as deficiently safeguarded. MCF can give a significant wellspring of prompt material and social help. Normal impression of crowdfunding are a simple yet complex approach to raise capital for their necessities, research has indicated that solitary 20% of crowdfunding efforts arrive at their monetary objectives. Numerous inquiries has been raised about how crowdfunding may fuel imbalances by making a serious commercial center where just a couple succeed yet if there should arise an occurrence of MCF 40% of the ventures are accomplish the objectives. Various researchers have featured the probability that instruction, segment, social, sort of ailment and size of social

changes sway the achievement of crusades and in this way access to human services.

LITERATURE REVIEW

In India, where the out of pocket expenditure is more when it comes to health coverage which is one of the leading causes of bankruptcy. Crowdfunding has proven to be a big relief proved by the following studies.

An investigation done on "The Power of Collective Endorsements: Credibility Factors in Medical Crowdfunding Campaigns" states current practices in surveying the validity of online clinical crowdfunding efforts. They revealed results from a blended strategies study that have done information examination from web based life and semi-organized meetings. They found eleven boundaries related with the apparent believability of clinical crowdfunding. Close-associations' online nearness and outer online networks meet up to shape this aggregate support in online clinical gathering pledges battles. It was Concluded by depicting how pledge drives can use aggregate supports to improve their crusades' apparent validity. Two commitments were offered by their work.

Another study and research work which was based on a secondary research titled “*valuation of crowdfunding: benefits and drawbacks*” enlisted the strength, opportunities, weakness and threats for the crowdfunding concept.

The discoveries from the SWOT investigation uncover that as crowdfunding is an oddity, vulnerability and different openly communicated fears improve the shortcomings and dangers of the strategy. Regardless of that, in the these days' worldwide, quickly changing and organize based economy, crowdfunding can fill in as a significant and helpful device. The freely communicated fears and questions about crowdfunding ought to be abused and lead to better and progressively astute choices with respect to it. Different devices to make crowdfunding as protected and alluring as conceivable can be utilized: online arrangements are intended to support speculators, the mindfulness about the issue of licensed innovation rights as of now exists, financial specialist training necessities are being set up, the requirement for oversight of industry experts is communicated. Additionally, as in the USA legitimate acts with respect to crowdfunding are as of now marked, just standards should be set, and in the EU the European 2020 procedure is arranged towards encouraging business enterprise, it appears that crowdfunding will develop. So the viewpoints of crowdfunding are excellent, expecting that reasonable legitimate acts

and rules are set, and the previously mentioned accommodating devices are advertised. A report by Lancet published article titled “Crowdfunding for medical research picks up pace” says the crowdfunding model of raising public funds online for individual projects is becoming a real possibility for medical and scientific research.

On the basis of article reviewed it was analyzed that there are certain issues which needs to be addressed to make this model and concept of crowdfunding more impactful.

One more study done titled “ *Understanding identity presentation in medical crowdfunding*” concluded that how clinical crowdfunding recipients present their character on a battle and how benefactors take them. At that point investigated how recipients and patrons want to introduce money related and non-financial commitments. The examination structure and strategy they taken were the meetings with the two recipients and benefactors of clinical crowdfunding efforts, it was discovered that the recipient members regularly felt committed to stress their sickly character to flag that they merited monetary help. Be that as it may, supporter members were progressively intrigued by signals passing on the recipient's character and their normal associations with the recipient. Curiously, the recipient's character and basic associations were regularly induced from different commitment highlights (e.g., benefactor names, messages, shared pictures). These commitment includes likewise bolstered recipient members in recounting anecdotes about how every patron was associated with their clinical excursion. Moreover, the narrating viewpoint permitted recipient members to see themselves as individuals who are esteemed individuals from a network. In any case, our members would not like to freely show the commitment sum on the grounds that the sums at times made supporters judge others adversely. In this way, it was proposed that structuring a clinical crowdfunding interface can more readily help narrating instead of spotlight on the gift sum. Therefore, after reviewing few papers , in order to analyze the root cause and people’s perception the parameters are suppose to be decided which will help in identifying the root cause for unsuccessful crowdfunding as well.

RATIONALE

The Purpose of this study is to assess the factors responsible for failure of crowdfunding campaign by understanding people's perception.

SPECIFIC OBJECTIVES

- To Understand people's perception towards crowdfunding.
- To understand the root cause of reluctancy towards Online Crowdfunding
- To suggest the recommendations for successful medical crowdfunding campaigns.

RESEARCH METHODOLOGY

Sources of Data Collection

Primary data is collected with specific objective, especially to address the research problem. The data collection tool was an online questionnaire and telephonic interview.

Research Design

Random sampling technique is applied according to the convenience of the researcher. The research design adopted in the study is descriptive design.

Sample Size

Sample size determines the total number of individuals involved in study. The total taken into consideration were 300

Sample Area

The survey was floated to the people of Mumbai, Maharashtra.

Data Analysis

Data analyzed and interpreted by using tool MS-Excel and Power BI tool.

Period of the study

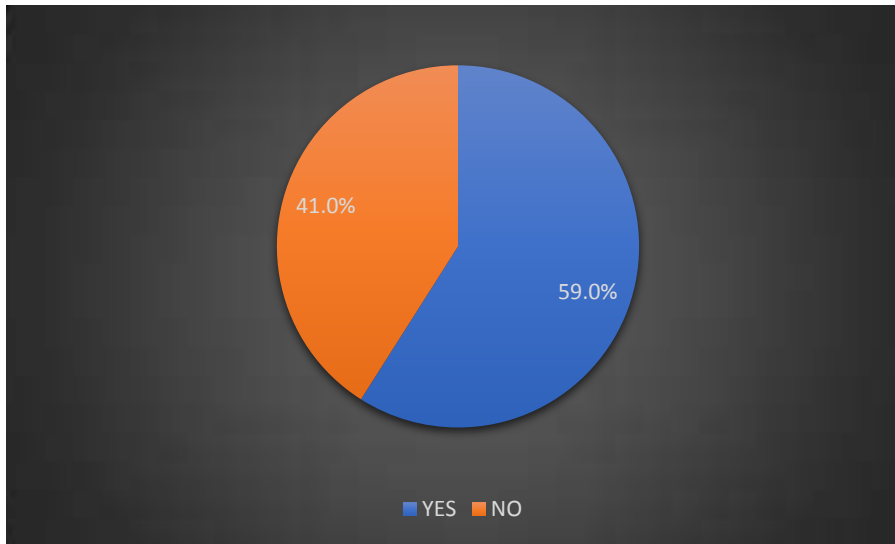
The study was conducted for a period of three months from March 2, 2020 to June 2, 2020.

A google Questionnaire was formed and used as a data collection tool. Also, telephonic interview could be taken.

Each question was assessed, and the findings are as mentioned below.

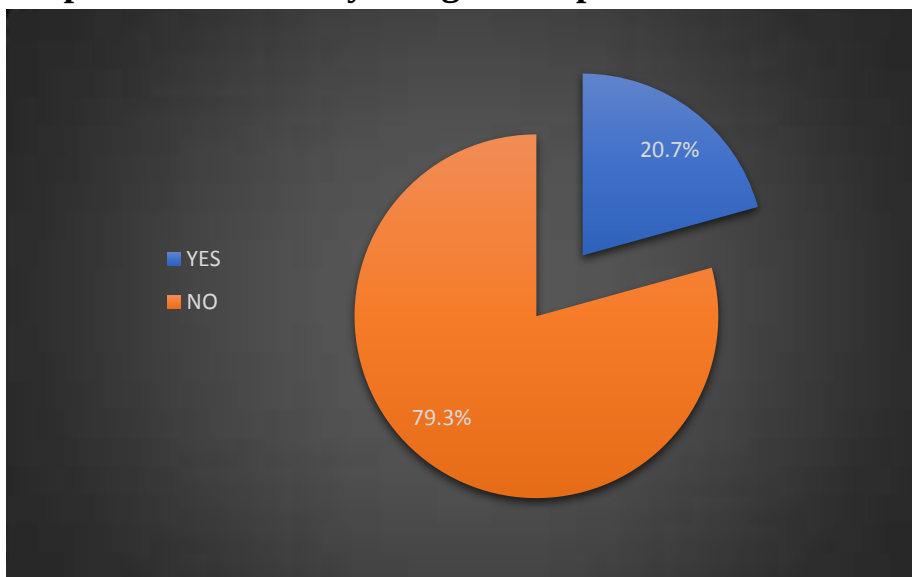
Data Analysis:

1. Crowdfunding awareness among People.



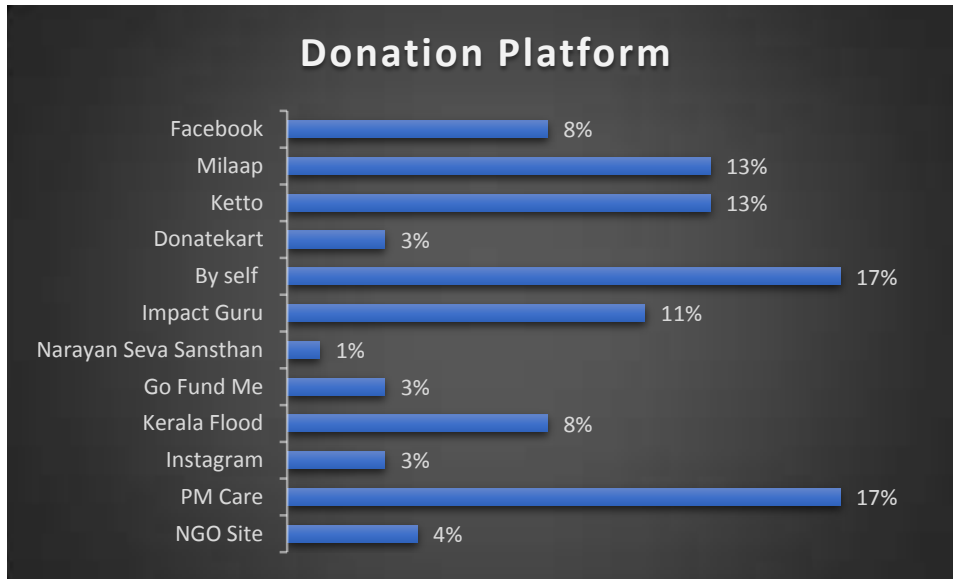
Interpretation: Approximately 60% of the people are aware about the concept of Crowdfunding.

2. People raised funds by using online platform



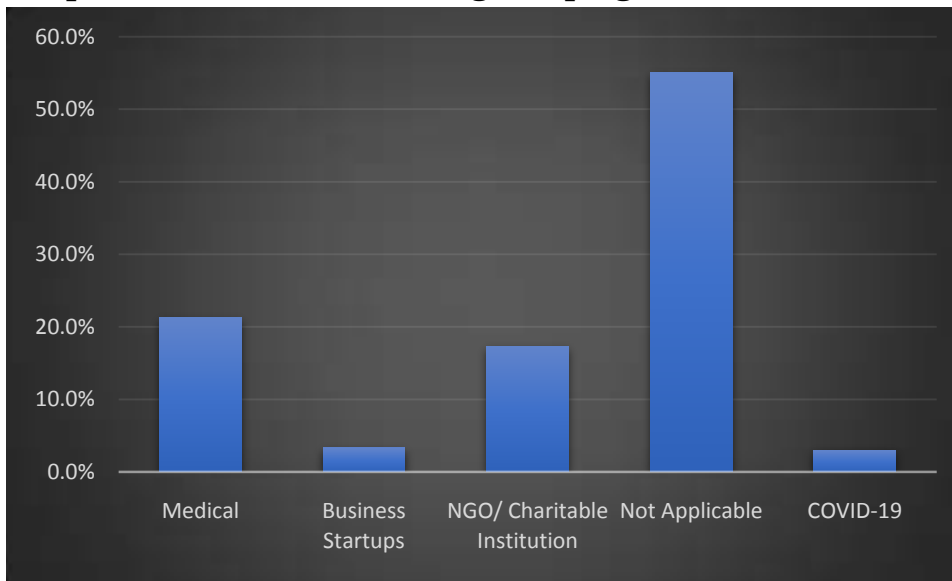
Interpretation: As per the trail graph 60% of the population knows the concept of crowdfunding however only 20.7 % people raised funds using online platform which depicts a reluctance.

3. People using online platform for donation



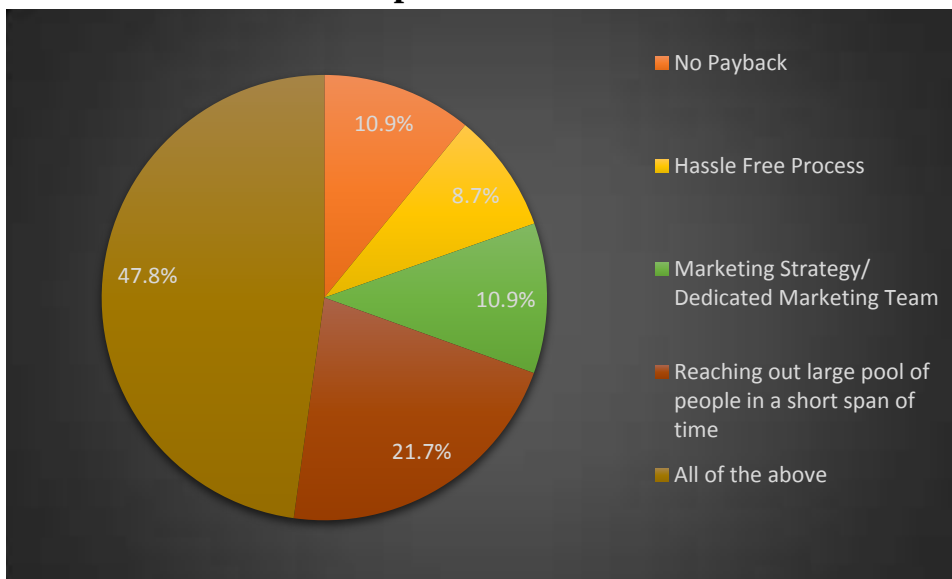
Interpretation: Out of the 20.7% Population who raised funds using online platform, the most common and highly used platforms are PM Care Model and Raising funds through themselves. If talking about the Online Platform Milaap and Ketto were the most common Online Platform used with ImpactGuru Being 3rd on the list

4. Purpose behind crowdfunding campaign



Interpretation: The main purpose of the 20.7% population to raise funds was for the Medical expenses incurred while Hospitalization followed by raising funds for NGO's and charitable Organization.

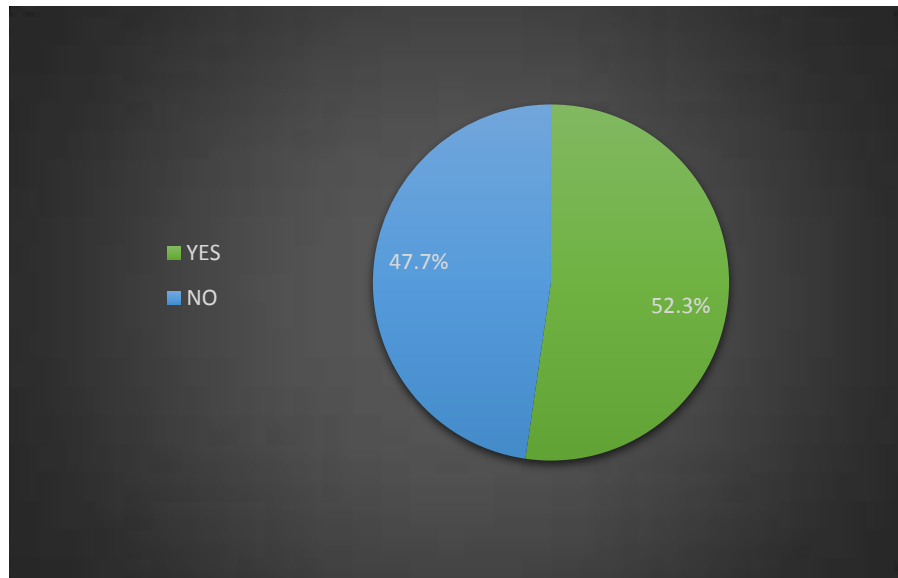
5. Reason to choose online platform to raise funds



Interpretation: As the Pie chart depicts the common reason for people to use Online Platform is no payback, hassle free process , marketing strategy using for marketing campaign and reaching out to a large pool of people in a short span of

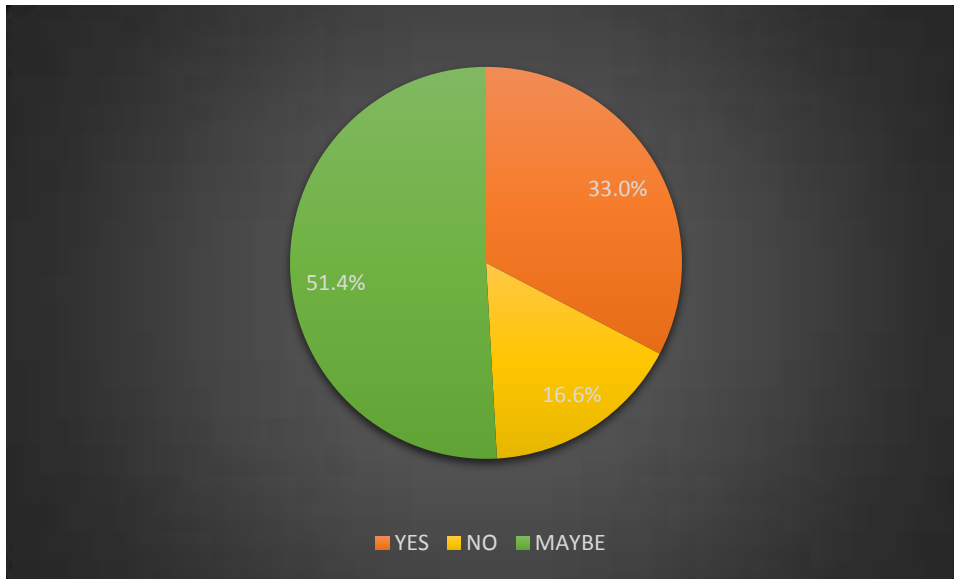
time But the most common being reaching out to large number of people in a short span of time.

6. Percentage of people's contribution in Online Campaign



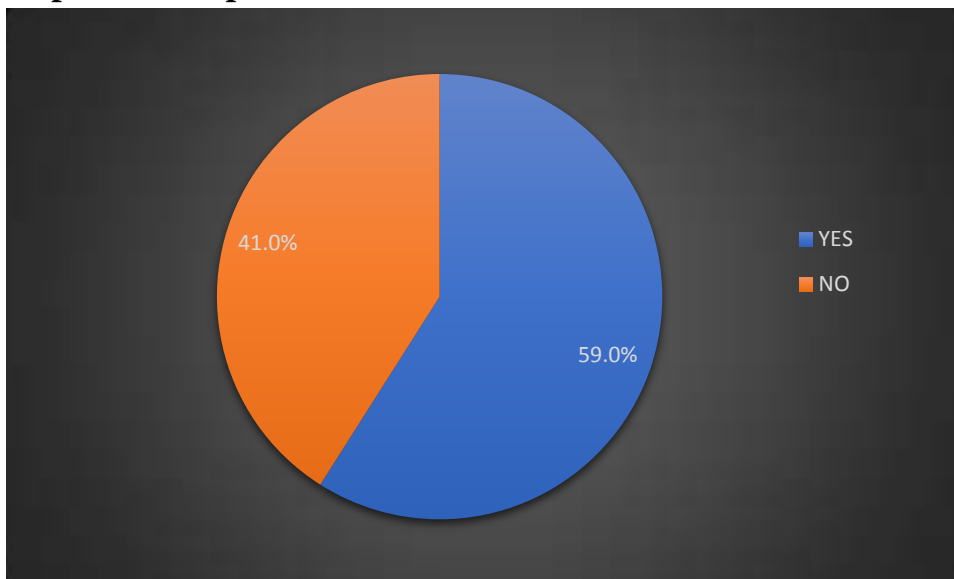
Interpretation: This Pie Chart Depicts that 52.3% people have donated to the Online platform before which gives a clear picture that still there falls a reluctance somewhere.

7. People's Mindset about online fund raising giving promising result



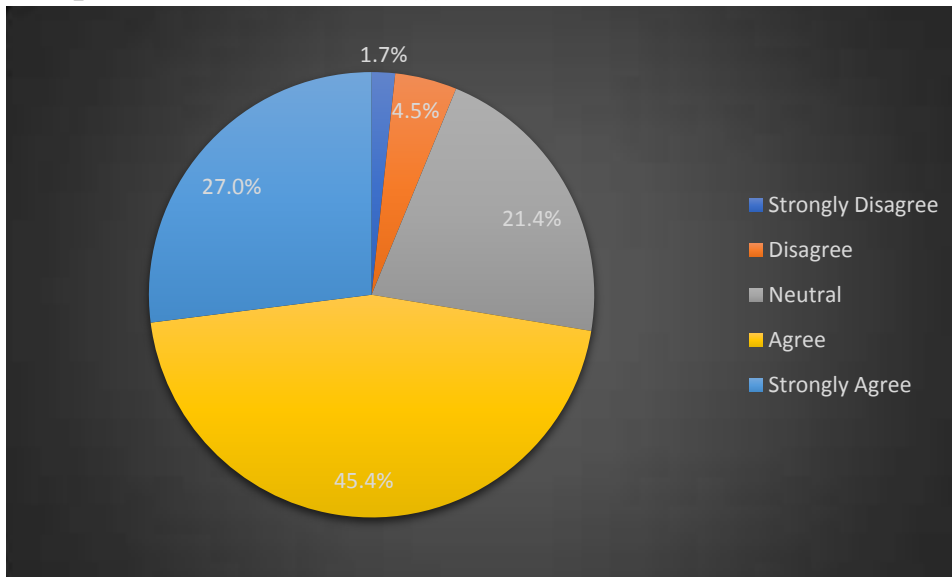
Interpretation: As per the pie chart it depicts that people are not sure if this concept will help people in future .

8. Impact Guru platform Awareness

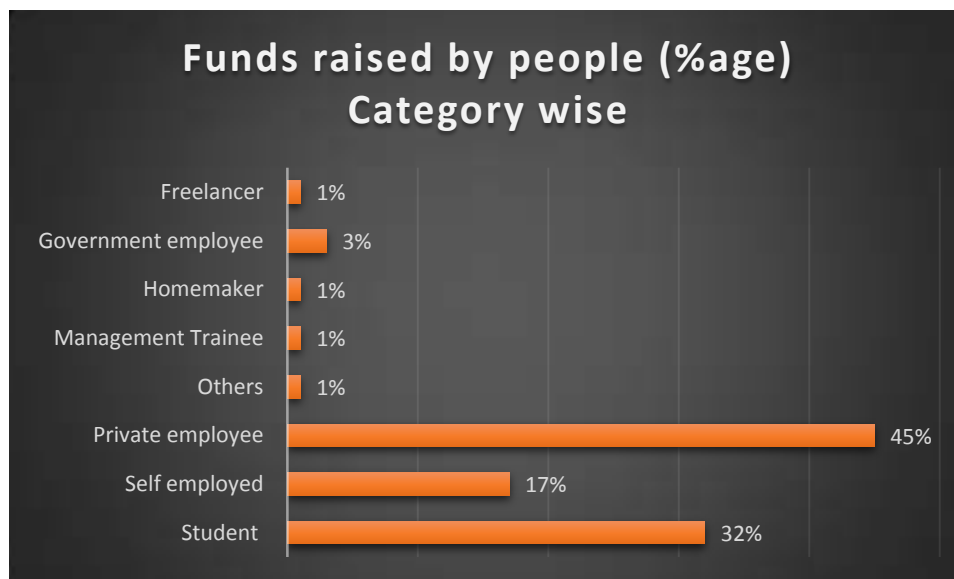


Interpretation: According to the pie chart it seems that 59% of people are aware of the Platform ImpactGuru which is the pioneer of this Industry.

9. People's Perception in raising money through online donation campaign in this pandemic (COVID-19)



Interpretation: According to the pie chart it strongly depicts that 73.4% of the population supports this concept at the time of crisis and utilize the platforms for the financial assistance.

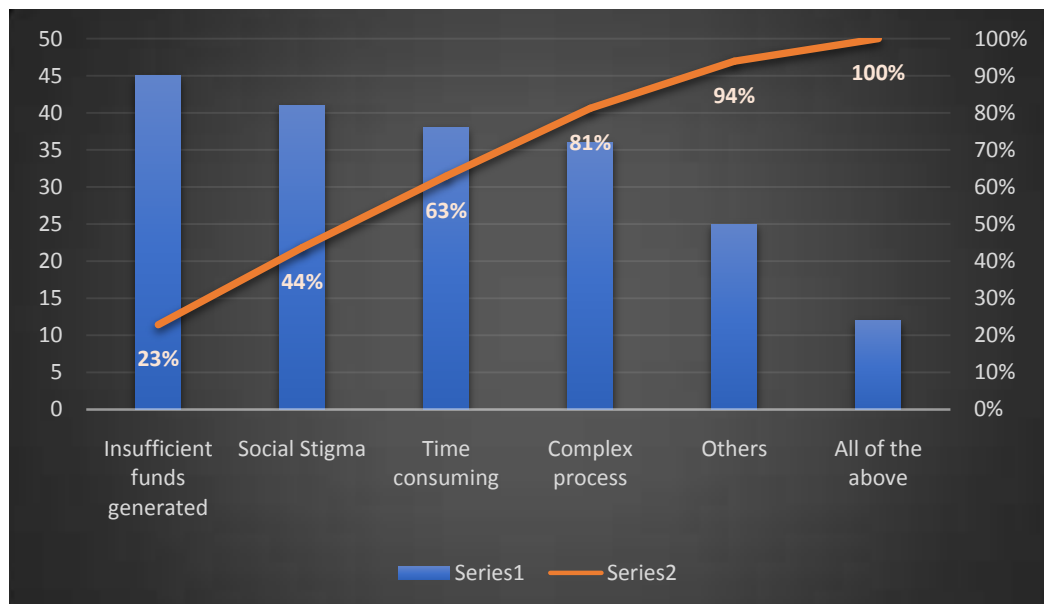


Interpretation: As per the response it was concluded that the Private employees raise funds more as compared to any other category followed by students.

10. Things that hold back people from raising funds.

To identify the root cause of the problem with greater frequency, Pareto analysis was being used. This technique utilizes and works on the commonly known and popular 80-20 principle.

All the set parameters were arranged in the descending order followed by calculating the cumulative frequency gives the percentage and the results for the root cause concluding that 80% problems arise due to 20% possible causes.



Interpretation: By using Pareto analysis, the fact that 80% people does not go for crowdfunding due to the following factors:

1. Insufficient Funds generated through the campaign.
2. Social Stigma
3. Time Consuming

CONCLUSION

Medical Crowdfunding still remains the booming concept in India and can be a really helpful tool during the time of crises. The only problem lies in awareness. The more the people are aware the more they will like the concept and utilize it.

RECOMMENDATIONS

People should be educated regarding the concept through the help of webinars and seminars which will be solving the issue of social stigma.

Counselling should be done by companies Executive Regarding the crowdfunding concept using various events as a platform taking place in the Hospital.

People should be encouraged to accept this concept by giving them tax benefit.

ANNEXURE:

(Questionnaire)

DEMOGRAPHIC SURVEY

1. Name :
2. Age (in years) :
3. Gender : Male
Female
Prefer not to say
4. Occupation : Government Employee
Private Employee
Self employed
Student
Others
5. Income Level (Monthly in INR) : NA (Unemployed)
Below 20000
21000-40000
41000-60000
Above 60000

CROWDFUNDING SURVEY

1. Are you aware about the concept of crowdfunding?

YES

NO

2. Have you ever raised funds for someone/yourself using any online platform?

YES

NO

If 'Yes' please mention the platform name.....

3. If 'Yes' what was your purpose behind crowdfunding campaign?

Medical

Business Startups

Animal Welfare

For NGOs/Charitable organization

Not Applicable

Other(please

specify).....

.....

4. What will make you choose an online platform to raise funds if needed in future?

No Payback

Hassle free process

Marketing Strategy/ Dedicated Marketing Team

Reaching out large no. of people in a short span of time

All the above

Other(please

specify).....

.....

5. If NOT but needed, what holds you back for creating a campaign for someone/yourself?

Insufficient funds generated

Social Stigma

Complex Process

Time Consuming

All the above

6. Have you ever donated to online crowdfunding campaign before?

YES

NO

7. Do you think online fund-raising campaign give promising results?

YES

NO

MAYBE

8. Are you aware of the crowdfunding platform named Impact Guru?

YES

NO

9. If NO, please specify any other platform you are aware of ?

.....
.....
.....

10. Raising money through online donation campaign in this pandemic (COVID-19) is a right way to serve various causes?

Strongly Disagree

Disagree

Neutral

Agree

Strongly Agree

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