

Every Little Helps

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: Understanding Donor Behavior in a Crowdfunding Platform for Non-profits

Motivation

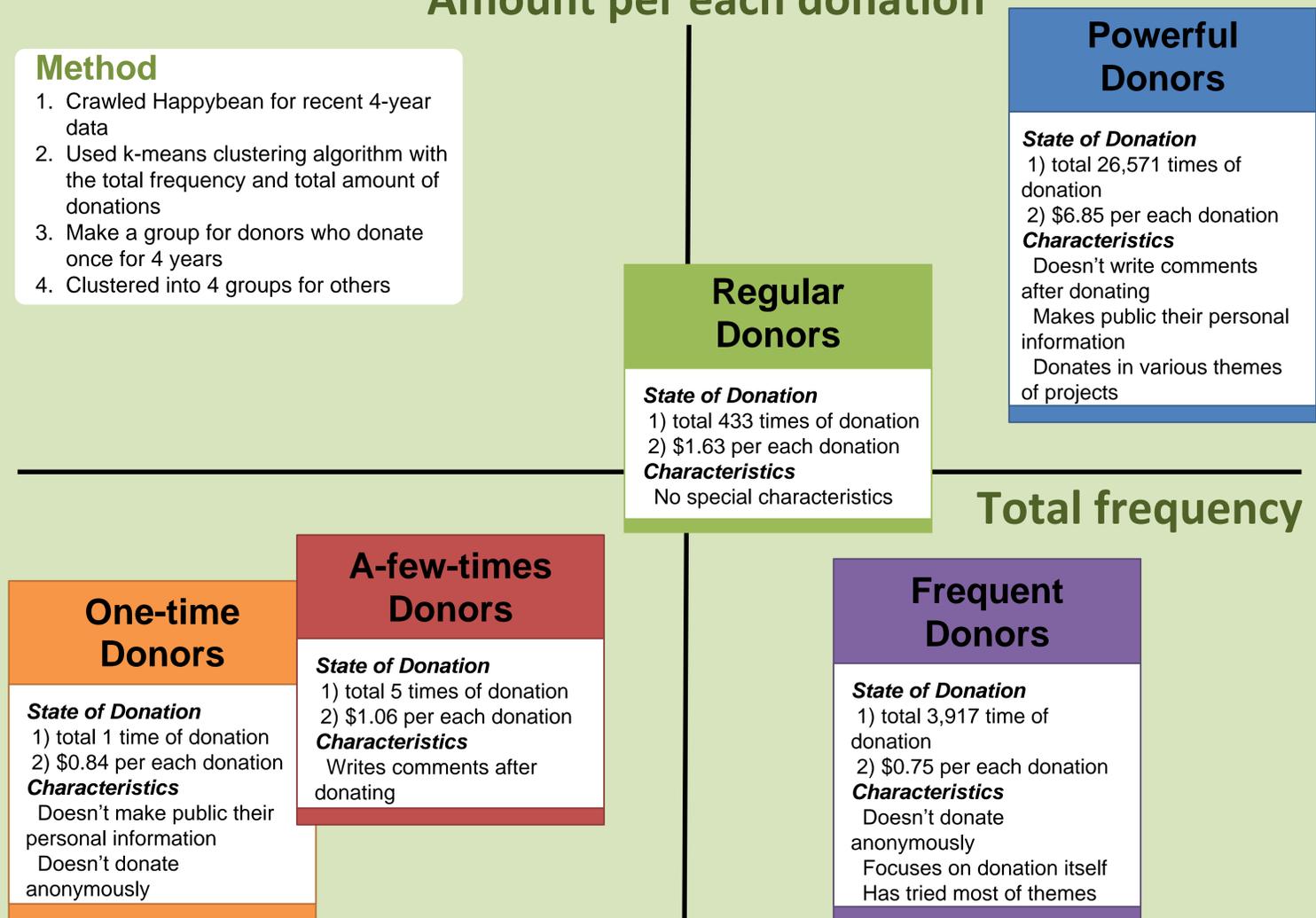
As crowdfunding platforms like Kickstarter have gained in popularity, many non-profits have begun to use 'crowdfunding for non-profits' to fundraise for their projects. In Korea, almost 6,000 non-profits have fundraised in HAPPYBEAN, which is the largest crowdfunding platform for non-profits. However, many projects fail to achieve their goals. Understanding donor behavior is essential to make fundraising successful, but there exists a lack of research on donors. So, the goal of this work is to investigate donor behavior in a crowdfunding platform for non-profits by collecting large-scale data.

Understanding Donor Behavior: 5 Groups of Donors

Amount per each donation

Method

1. Crawled Happybean for recent 4-year data
2. Used k-means clustering algorithm with the total frequency and total amount of donations
3. Make a group for donors who donate once for 4 years
4. Clustered into 4 groups for others



HAPPYBEAN is

famous crowdfunding platform for non-profits in Korea.

In HAPPYBEAN,

more than 1 million donors donate every year, and the total donation is more than 4 billion won.

Donor

donates with bean. Donor donates by oneself or donates with others through 'bean bank' where donors gather beans.

Bean is the currency in HAPPYBEAN. It is worth \$0.1 each.

How To Donate

1. Get beans

By paying cash, writing comments, doing activities in NAVER

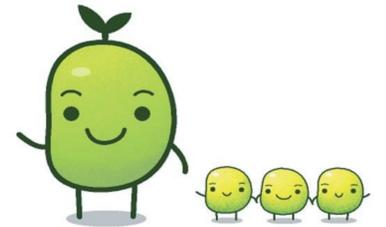
2. Select project

6 themes of projects

3. Donate

Donate once or donate regularly the project

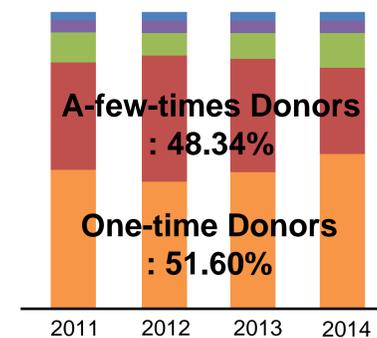
HAPPYBEAN



Reference : HAPPYBEAN in NAVER

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1) Most of donors leave after a few times of donations



Majority of donors are in 'One-time Donors' and 'A-few-times Donors'.

Most of donors leave after once donation but new donors come into HAPPYBEAN as many leavers as leavers.

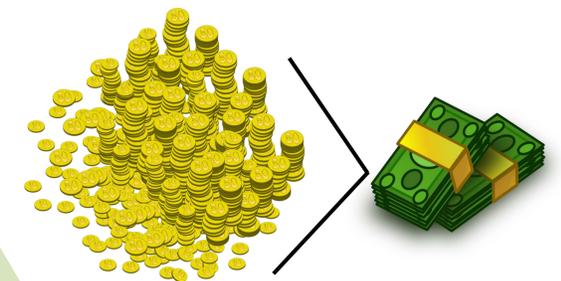
Therefore, crowdfunding for non-profits also should try to find the reason why donors leave to make them donate regularly.

2) Which is powerful?

'A-few-times Donors' is the most powerful group in aspects of total money and total frequency. The number of this group is very large, although the total amount of donation of each member is very small.

'Powerful Donors' group is powerful individually. But this group has a few members so the group isn't powerful than others overall.

Difference in writing comments.
 'A-few-times Donors' group has the highest rate of writing comments. 'Powerful Donors' group has the lowest rate of writing comments.



Therefore, we recommend that the platform offers the function for linking with another participation through comments to activate donations of 'A-few-times Donors'.

Future Work

HAPPYBEAN has another method for donation, 'bean bank'. So we can also analyze donors with 'bean bank' to see how donors use this. Based on the result of donor behavior, we can do the survey to find out donor motivations and find out link between motivation and behavior of donors. Then, we can understand donors in crowdfunding more and suggest design implication.