

## Crowdfunding donors are not the usual suspects

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This article is focussed on understanding who donates via crowdfunding and what characterises their giving behaviour. This enables us to understand and predict giving behaviour in a crowdfunding context.

The authors focus on the following question: “Who gives via crowdfunding, and to what extent did online giving via crowdfunding change during the COVID-19 pandemic?”

They report that, in general, crowdfunding donors differ from typical offline donors. Their primary distinction lies in their social media activity and informal giving, but other differences also emerge. The circumstances during the pandemic shifted offline activities to an online context. However, no increase in online donations was observed. . Therefore, to predict online giving behavior, we need different models. One constant remains: being asked to give is still crucial.

[#Crowdfunding](#) [#Covid-19](#) [#Donors](#) [#DareToAsk](#) [#Fundraising](#)

### Background

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### Context



- **In the past 20 years, the Dutch have been donating a smaller percentage of their income to charities, while their desire to do good remains the same.** Research shows that it has become more challenging for charities to connect with potential donors, and the likelihood of someone giving after being asked has decreased.
- **This study suggests that how charities approach donors does not align with donor preferences.** Charities increasingly test out new ways to approach donors. This is supported by my own observations as a practitioner: during the pandemic, as CBF we were approached monthly by new giving initiatives (start-ups). All these initiatives were more or less crowdfunding-based and focused on donor convenience and preferences.
- **Charities need to discover innovative ways to enhance the effectiveness of fundraising.** Developing their own or using independent crowdfunding (donation) platforms could be a method to reach new potential donors. **Investing in donor preferences might increase the likelihood that potential donors will actually give.** Understanding whom to ask and how to ask, especially in an online context, could reverse this trend.
- **This study assesses if traditional donor traits hold true for online giving** and explores additional factors in effective crowdfunding, including social media engagement, requestors, and beneficiaries.

# ERNOP Research Note

Academic articles on philanthropy through a practitioner lens

## Take aways & Learnings



- This study reveals that the percentage of individuals supporting crowdfunding did not increase between 2018 (11%) and 2020 (12%).
- When it comes to crowdfunding, we cannot simply apply a predictive model based on offline giving. The traditional donor and the crowdfunding donor are two different types, although higher education proves to be a factor in both contexts. See for yourself below.
- Being active on social media is the most crucial characteristic of online donors, even more vital than age.
- Furthermore, this study shows that being asked by (or to give to) close relationships turns out to be more effective in an online context.
- In my view as a practitioner, these findings suggest a fundamental strategy for charities in online fundraising. That is to consider: a) to collaborate with a large network of voluntary representatives (as is often the case for door-to-door collections in the Netherlands), b) who request donations for specific and concrete projects (as is often the case in crowdfunding), c) focusing on highly educated females in their network, and d) doing so via their private social media channels.

Via door-to-door collections  
individuals are more likely to  
donate if they:

- Are often highly educated
- Own higher incomes
- Do not have children
- Own a home
- Are religious

TYPICAL TRADITIONAL DONOR

Via crowdfunding  
individuals are more likely to  
donate if they:

- Are often highly educated
- Are active via social media
- Are not religious

TYPICAL CROWDFUNDING DONOR

ERNOP Research Notes provide easy-to-read, practice-oriented summaries of academic articles on philanthropy and are written by practitioner experts. This ERNOP Research Note 2023/26 is published in December, 2023 and has been written by Gerjob Lootens from CBF, Toezicht op goedgevoen (Dutch regulator on philanthropy). More information can be found at [www.ernop.eu](http://www.ernop.eu).