# The MonelyLab Crowdfunding Toolkit for Creatives

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The MoneyLab Crowdfunding Toolkit (MCT) helps creatives explore the opportunities and challenges of an increasingly popular form of alternative revenue. The Toolkit’s aim is to better inform prospective crowdfunding campaigners on what the crowdfunding process entails before they start a campaign.

In its practical form, the toolkit is a website.[[1]](#footnote-2) In what follows we briefly introduce the three main components of the Toolkit: several in-depth interviews with users, statistics based on a survey of creatives using crowdfunding, and an interactive graph of 60 Dutch and international crowdfunding websites. We conclude with some insights into future needs of the crowdfunding model.

## Adding the Missing Voice

An important issue with the ongoing crowdfunding hype is that the voices of creative workers – the ones actually using crowdfunding platforms as a way to finance their projects – are missing from the debate. Therefore, the MoneyLab Crowdfunding Toolkit draws from eight interviews with practitioners experienced in crowdfunding and active in various creative sectors (performance and theater, music, filmmaking, social entrepreneurship, publishing, etc.) to identify the opportunities and challenges of crowdfunding from their perspectives. The interviews inquired into what motivated these professionals to crowdfund, what challenges and opportunities they identified, their relationship to the crowdfunding platform, to the funders, to their project, and whether they would do it again.

The interviews offer prospective campaigners a firsthand experience of what crowdfunding involves, both positive and negative. For instance, all interviewees stated that crowdfunding is more than just about raising money; it helps to build a community around a project, and it is an organized way to involve one’s personal network. The process also makes the person or group who are crowdfunding feel more independent from traditional forms of finance. Yet the interviewees hinted that crowdfunding platforms at this moment do not suit people working in the arts and culture sector. This situation has to do with the business model used by the crowdfunding platforms, the amount of time and effort required to work on a crowdfunding campaign, and the reliance on friends and family for money. The widely held notion that crowdfunding helps you find an anonymous crowd actively participating and financially supporting your project is questionable.

## What Does Crowdfunding Involve? Some Numbers

Second, the Toolkit addresses the lack of informational resources at hand for those who are planning to start a crowdfunding campaign. What do creatives need to know before deciding to crowdfund? The Toolkit discusses the statistics gained via a survey that asked creatives with crowdfunding experience about the challenges of the process.

Below are some of these graphs, showing statistics on the amount of hours people put into their campaign; how many funders they had; who they were (family and friends? acquaintances? strangers?); how they were reached (via social media, face to face, email, or formal meetings), as well as the average financial contribution received.

[Fig. 1: Time invested in the crowdfunding campaign.]

The upper figures represent number of hours invested. The lower figures represent the number of responses. The amount of time people invested in a campaign was on average between ten and fifteen hours a week, but a tenth of all respondents worked on their campaign over 30 hours a week.

[Fig. 2: The main activities of the crowdfunding process and the time invested in them.]

The figures in the circles represent the number of responses. Here it becomes obvious that most of the time of a campaign (almost half) is spent on promoting it. The majority of respondents did not have dedicated expertise in this field and instead needed to perform the task themselves.

[Fig. 3: Who funded the campaigns? The segmentation of funders according to their relation with the campaigner.]

An interesting outcome was that we could see who the funders were. The majority of funders were close relatives. Thus the idea of an anonymous crowd helping with one’s campaign seems to be questionable.

[Fig. 4: Types of external help received or needed during the crowdfunding campaign.]

Figures represent number of responses. The figures show 1/3 needed external help in their campaign, mainly on research on how to develop different aspects of the campaign.

[Fig. 5: 35 out of 60 respondents would crowdfund again. Figures represent numbers of responses.]

## Visualizing Crowdfunding Platforms

There are hundreds of crowdfunding platforms worldwide, and most offer very little insight into what happens behind their popular interfaces.[[2]](#footnote-3) To tackle this issue the Toolkit’s third feature is an interactive visualization that allows prospective campaigners to explore 60 Dutch and international crowdfunding platforms, as well as look into various in-depth statistics that have not been available before. The Toolkit is useful for projects that aim to raise less than 50,000 Euro; it draws from the Dutch context of crowdfunding and is therefore particularly useful for Dutch creatives.

The Toolkit allows filtering and sorting of the crowdfunding platforms, according to the following data:

* The total amount of money raised (by all successful campaigns).
* The type of projects they host.
* The crowdfunding model they use (donation / equity / loans / pre–order / subscription).
* The type of rewards that platforms allow (symbolic, product, shares, none).
* Whether they are suited for small (5,000 Euro<), medium (5,000-10,000 Euro) or large (>10,000 Euro) budget campaigns.
* The total amount of money raised (by all successful campaigns).
* The average financial contribution that a funder gives to a successful campaign.
* The average number of funders for a successful campaign.

[Fig. 6: The interactive visualization – the legend that explains the visual encodings.]

[Fig. 7: The Toolkit’s filtering and sorting options.]

[Fig. 8: The results displayed after opting for the filter and sorting options in Fig. 8.]

## In Closing: Critical Comments on the Future of Crowdfunding Platforms

Crowdfunding is commonly hailed as the new, democratic and transparent finance model for creative industries. However, crowdfunding is a business model, even when based on donations; once a campaign has started, all efforts are directed to marketing, outreach, and meeting the goal by any means. While seemingly making creative workers independent of or less dependent on traditional funding sources, crowdfunding platforms pin crowdfunders down to the business dynamics of the platform in question. Crowdfunding is perhaps even more complicated than traditional applications for funds or sponsorships; it comes with an extra baggage of time, free effort, multiple roles, and reliance on personal networks. But it also brings much added value, which explains why many people would try it again.

Also problematic, most crowdfunding websites hide particular types of information. For instance, the majority of crowdfunding campaigns fail,[[3]](#footnote-4) and these unsuccessful campaigns are rarely visible on crowdfunding platforms. Most of the browsing filters on crowdfunding platforms are designed to display only positive results and successful campaigns. Some crowdfunding platforms even have a policy of erasing unsuccessful campaigns or making them hard if not impossible to find on their websites. These design choices made it impossible to add ‘success ratio’ data to the Toolkit. This lack of transparency also causes misinformation, offering too much of an optimistic view of what crowdfunding can do. This design becomes problematic when the business model and design interface of big players such as Indiegogo.com are copy-pasted by most crowdfunding platforms, old or new; it perpetuates their faults.

Making internal data public and existing public data easier to find is a first step to assist prospective campaigners and allow further research. Some crowdfunding platforms have already adopted this slightly different approach. SciFund Challenge, one of the very few crowdfunding platforms dedicated to research and science, updates regular statistics on average donation, funders, progress of campaigns, etc. Ulule, a French platform with international activity, does the same. Others take a step further and have adapted the platform to serve not only crowdfunding purposes but also crowdsourcing ones, such as Goteo. The next step is rethinking the standard design of platforms in order to better respond to the disparate needs of people using it. One standard interface and a suite of standardized services cannot provide an accurate response to these very different needs.

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1. MoneyLab Crowdfunding Toolkit, [www.networkcultures.org/moneylab-toolkit](http://www.networkcultures.org/moneylab-toolkit). The research and design for the MoneyLab Crowdfunding Toolkit was conducted and coordinated by the Institute of Network Cultures as part of the MoneyLab: Coining Alternatives project in 2013-2014. Credits for the visual design of the toolkit go to Gabriele Colombo. [↑](#footnote-ref-2)
2. Each crowdfunding platform in the Toolkit was asked for the data. Some responded with figures, others declined to share the information, while others never replied. When data such as average donation and number of contributors was not provided by the platform itself, it was gathered from the fifteen most recent successful projects. [↑](#footnote-ref-3)
3. Adrianne Jeffers, ‘Indie No-Go: Only One in Ten Projects Gets Fully Funded on Kickstarter’s Biggest Rival’, *The Verge*, 7 August 2013, <http://www.theverge.com/2013/8/7/4594824/less-than-10-percent-of-projects-on-indiegogo-get-fully-funded>. [↑](#footnote-ref-4)