

User Behavior in Crowdfunding Platforms – Exploratory Evidence from Switzerland

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Why did we select this research?

Crowdfunding is becoming more commonplace, but understanding of user behaviour (of both project initiators and backers) remains fairly limited. Through an investigation of nearly 500 projects and more than 10,400 donations on Switzerland's most popular crowdfunding platform, this study by Beier and Wagner aims to shed light.

The results show that the first days of a campaign are crucial. Moreover, the early interaction patterns on the project page initialize developments like herding effects for the remaining campaign duration. The study also shows how project initiators can adapt to backer behavior to increase their funding chances.

Key findings

- Successful projects generate a significant share of their intended funding goal just in the first days of a campaign.
- Average amount of donations tends to increase over the course of a campaign, as backer numbers decline during the same period.
- Projects that miss their funding goal, do so by a large margin. 62% of the unsuccessful projects achieve less than five percent of the funding goal at the end of the campaign. In contrast, there are very few unsuccessful projects (2%) that finally reach more than 50% of their funding goal.
- Successful crowdfunding campaigns started on Monday or Tuesday tend to develop much better in the first ten days than the other successful campaigns. Successful projects started on these days achieve more than 40% of the funding goal on average. However, additional conditions for successful campaigns have to be fulfilled, otherwise the effect does not hold.

Reference

Beier, M., & Wagner, K. (2016, January). User Behavior in Crowdfunding Platforms--Exploratory Evidence from Switzerland. In System Sciences (HICSS), 2016 49th Hawaii International Conference on (pp. 3584-3593). IEEE. Retrieved from: https://www.researchgate.net/publication/294581447_User_Behavior_in_Crowdfunding_Platforms_-_Exploratory_Evidence_from_Switzerland
