Feasibility of Using Online Fundraising Tools for Funding College Students Music Tour

An Interactive Qualifying Project submitted to the faculty of Worcester Polytechnic Institute in partial fulfillment of the requirements for the Degree of Bachelor of Science.

By

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Submitted to:

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Abstract

The goal of this project is to assess the feasibility of using online fundraising tools, such as fundraising and crowd raising websites, to fund music tours of college students. Major objectives included evaluating existing fundraising websites, selecting a set of candidate websites by both personal experience and opinions from other college students, and analyzing their feasibility to use for funding. The results gathered in this study will be considered by the Glee Club and the Alden Voice of WPI when they determining the way they should adopt for fundraising.

Acknowledgements

We would like to acknowledge the following people for their guidance and assistance during the course of this project:

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Table of Authorship

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Chapter 1. Introduction

Fundraising has always been a hot topic among college students while organizing activities. There is always the hope to make the event as successful as possible, but the funding from school can be limited a lot of times. 140th Anniversary of WPI Glee Club is approaching, so an efficient way is needed for funding its great 140th Anniversary tour. They want to make the funding process easier with some help from modern technologies such as Internet.

Hosting events can be a great way for clubs and organizations to promote awareness for their cause. They are also a good tool for club members to get to know one another and bond as a group. In most cases, funding is required for various aspects of the event. The funding can come from a number of sources including sponsors, benefactors, savings or the university that they are affiliated with. In some cases however, the funds gained through these channels might not be enough. Fundraising is a great way for college clubs to secure donations needed to support their activities and host events. Fundraising equals money, which makes clubs expand and become more appealing to potential members, as well as encourage current members to stay. With more money the clubs can provide more opportunities for their members. Fundraising also allows current members to become closer with each other, as they work together raising the money. When fundraising as a group or a team it is often easier for new members to transition into the club.[1]

However, traditional ways of fundraising, such as face-to-face fundraising, can suffer from the lack of good fundraising ideas and the lack of audience a lot of times. All these can contribute to the insufficient amount of fund raised. A new concept called "crowdfunding" emerged in recent years. Fundraising and crowdfunding are similar in a lot of ways, but nuances do exist between them. Unlike fundraising relies heavily on others' willing to make a donation, crowdfunding relies more on the attractiveness of the prizes that the ones who funded the projects or events get in return. In the case of music tours, a concert ticket could be a very idea. In this way, the fundraisers do not have to worry about not having an appealing enough fundraising idea to attract the others to donate, since they simply have to think of a good enough prize. Moreover, crowdfunding always utilize modern technologies

like Internet. The large population of Internet users ensured the large number of audience and easy accessibility for them to raise fund.

This project focuses on the utilization of internet to raise fund for music tours among college students. The IQP team researched various crowdfunding websites and conducted evaluation for each of them. The team also created online surveys for potential Worcester Polytechnic Institute (WPI) users of these websites to gain accurate evaluations. The goal of this project is to find the possibility of using online fundraising systems for music tours by college students, especially for the Glee Club and the Alden Voice at WPI so that they can use the result as reference when they decide their funding approaches for their upcoming 140th Anniversary tour.

Chapter 2. Background and Research

i. History of Fundraising

Accordingly to historian Scott M. Cutlip's excellent book 'Fundraising in the United States: Its Role in America's Philanthropy', organized philanthropy supported by systematic fundraising was very much a twentieth-century phenomena. Before then, philanthropy was conducted on a much smaller scale, largely financed by a very few very wealthy individuals in response to personal appeals. Most individual giving was directed to the churches, to the pitifully poor, and to found schools and colleges. No organized or formal fundraising efforts were recorded for the giving of these gifts.[2]

Though many people seem to think that large-scale face to face fundraising was first developed by Greenpeace in the 1990s, it has actually been around much longer than that. In the beginning of the twentieth century, new YMCAs were built with money raised through what became known as the Lightning Canvass around the world. The idea was simply to get a group of young men, divide them into teams and send them out on the streets for two weeks to recruit donors who would give on the 'Installment System'. This plan came from Charles S. Ward, the General Secretary of Grand Rapids YMCA in Michigan, who could well be described as the godfather of modern fundraising. The plan worked brilliantly. Together with a group of volunteers, they raised the year's budget within a few days. For the next five years, Ward repeated the exercise with similar results.[3]

ii. Today's Fundraising

It has been over a hundred years since 1910, so fundraisers have gained much experience and learnt many lessons along their way through practice. One thing they are paying more and more attention to nowadays is the need of donors. Donors have needs, too. In order to attract more donors to donate for your projects or events, it is important to tell them that

they will indeed benefit somehow from their act of kindness, or that they will get something in return.

This contributed to the emerging of crowdfunding, which donors will receive a prize or a share for the amount they donated. This act motivates more donors to participate and take on a more active role in the events or projects they funded. Crowdfunding is a rather popular concept today for its effectiveness in terms of raising funds and its popularity among people.

Also, technology has changed our life significantly in the past century. We have invented Internet, which has a wide range of users all over the world today. Internet is an essential part of many people's daily life, and has a huge impact among the public. So in addition to the old-fashion face-to-face approach, modern fundraising wouldn't want waste the chance of benefiting from the goodness of modern technology. They are many fundraising and crowdraising websites for people who want to raise fund over the Internet. In this way, they can raise fund without worrying about not having picked the best place and the best time for fundraising. These sites often link to social networks like Facebook, so that a large number of audience is guaranteed with only a little advertisement among people close to you. These websites are getting more and more popular today.

iii. Fundraising Websites

Worcester Polytechnic Institute (WPI) Glee Club will celebrate its 140th anniversary with a concert tour. They would like to raise enough fund to guarantee the quality of the tour. Fundraising website is a getting popular nowadays because of its convenience and flexibility, so the IQP team was assigned to research on different fundraising websites and identify if it is practical to rely on website for raising fund.

Among the innumerable fundraising websites online, we selected nine best ones as examples to analyze after thoroughly looking into and evaluating many of them. We got the

initial set of websites to choose from by Googling keywords like "fundraising", "crowfunding" and "music fundraising", and also by looking at some reviews on the Internet about these websites. Then, we evaluated them under the following criteria:

1. Ease of Use website (not the actual program) (user friendly – can young and old use it easily)
2. Ease of Use for the program
3. Safety – reliability – how old and established is the site
4. Ratings?
5. Profitability – what is the average funds raised?
6. Popularity – young/old
7. Scheme – what do you get in return for you money?
8. Realistic prizes and goals.

We will talk more about the nines websites we selected in the next chapters.

Chapter 3. Methodology

Week 1

We researched and evaluated a variety of fundraising websites, as well as analyzed them under the given criteria. Based on the findings from research and analysis, we composed an evaluation report and presentation slides. We divided the sites we picked into two categories: The first one is fundraising sites targeted on music-related activities: These sites are more relevant to our purpose of funding concert or music tours. We know people who go there are interested in funding for music related activities. The second one is fundraising sites serving general purpose activities. Compared to the fundraising sites targeted for music related activities, these sites serve general purpose, but they are way more well-known and popular. They are big, well-established fundraising sites.

Here are the nine websites we selected:

Musicians Benevolent Fund[4]

Oocto[5]

PledgeMusic[6]

Feed the Muse[7]

Rupee.US[8]

GoFundMe.com[9]

Crowdrise[10]

iFundy[11]

Kickstarter.com[12]

At 12:00pm on 3/14/2013, we met with advisor Prof. John F Delorey in Alden Hall. During the meeting, our IQP team presented and discussed the research results as well as reviewed PowerPoint slides.

Week 2

We read IQP papers online. We also edited and reformatted our paper based on discussion. In order to generate a better evaluation result, we designed a survey for potential users to evaluate the sites under different categories. At 12:00pm on 3/21/2013, we met with advisor Prof. John F Delorey in Alden Hall. During the meeting, we reviewed and revised the survey questions. We also discussed about how to distribute the survey to potential users.

Week 3

We revised the evaluation survey based on discussion. In addition to paper handouts, we created an online survey for users' convenience. Both of our team members also registered and experienced the nine chosen websites. We also edited the content of the paper based on research and discussion. At 12:00pm on 3/28/2013, we met with advisor Prof. John F Delorey in Alden Hall. During the meeting, we reviewed and improved the survey before sending out to users. Again we discussed how to distribute the survey efficiently.

Week 4

We made minor changes to the survey based on the advice Professor Delorey gave us during the last meeting, so our survey was completely done. Here is a screenshot of our survey:

1. How easy is it to make a donation to a project?

○ Easy
○ OK
○ Hard

2. How trustworthy is the website?

○ Trustworthy
○ OK
○ Untrustworthy

3. How good is the look of its interface?

○ Good
○ OK
○ Bad

4. How likely will you be to recommend the website to a friend who needs to raise funds for his or her projects?

○ Likely
○ OK
○ Unlikely

5. How good are the prizes in return?

○ Good
○ OK
○ Bad

6. How willing will you be to use the website in the future?

○ Willing
○ OK
○ Unwilling

7. How good is the site overall?

○ Good
○ OK
○ Bad

We also composed the instructions for the survey taker, and kept editing and adding more contents to the final paper. At 12:00pm on 4/4/2013, we met with advisor Prof. John F Delorey in Alden Hall. During the meeting, we reviewed the instructions for the survey as well as discussed how to distribute the survey to potential users.

Week 5

We completed surveys on our own and gave out the survey to potential users. We summarized the survey results and finished ratings for the sites. Based on the results, we selected four best sites out of the nine sites. At 12:00pm on 4/11/2013, we met with advisor Prof. John F Delorey

in Alden Hall. During the meeting, we review the survey results with advisor. Our team also presented the selected four sites. In order to achieve better survey results, we discussed how to encourage more potential users to complete the surveys.

Week 6

We invited friends and classmates to take the surveys and generated the updated survey results. We created a score table and calculated the score each website earned. We chose the top four websites with the highest scores as our results. We also finished the first draft of our final paper and we would send it to our advisor for advice.

Chapter 4. Conclusion and Result

At the end, we have got thirteen survey takers to participate. Then we computed an overall score for each websites based on the survey result:

Musicians Benevolent Fund	**2.75**
Oocto	2.35
PledgeMusic	**2.7**
Feed the Muse	2.33
Rupee.US	2
GoFundMe	**2.67**
Crowdrise	2.4
iFundy	2.35
Kickstarter	**2.7**
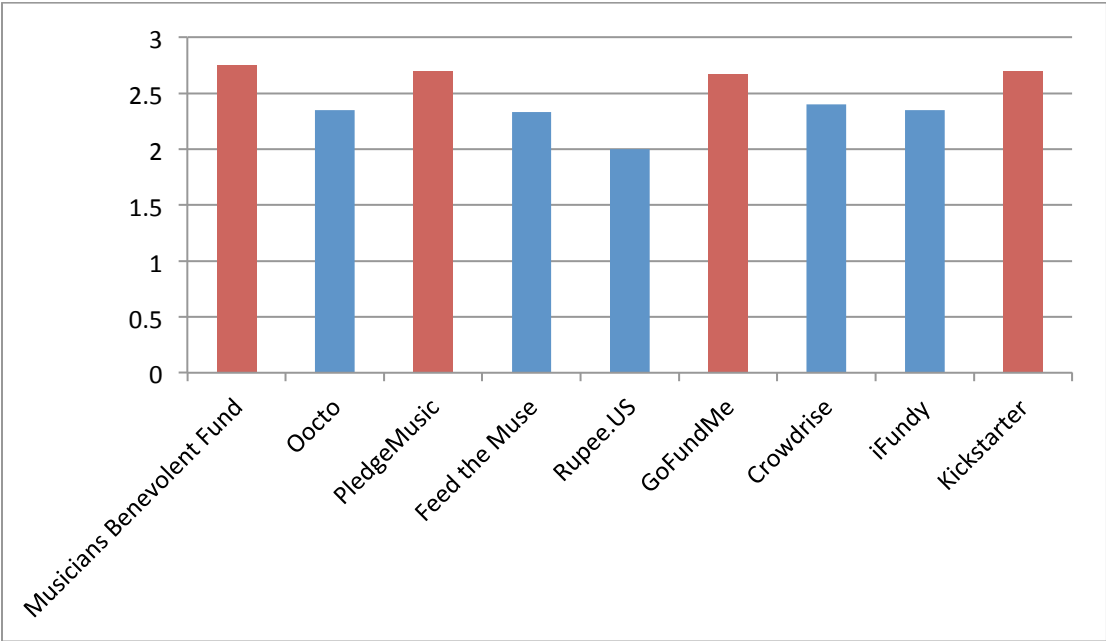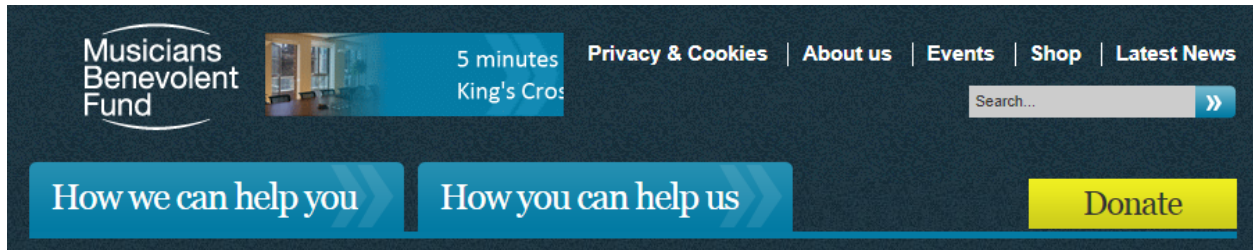
Musicians Benevolent Fund

Overall Score: 2.75

http://www.helpmusicians.org.uk/

This website is very easy to use for everyone. Users can simply click the "Donate" button on the homepage to access to the payment page. Users may choose regular donation or one off donation. The online transaction is safe and secured by Thawte. The goal of the website is to support musicians at the start of their careers who need support as they join the profession, who hit a crisis, such as an illness or accident, during their working lives and who are thinking about retirement, as well as those later on in their lives. This website is relatively popular. In 2012, 950 musicians benefitted from its support. One disadvantage for this website is the currency option, which is British pound only. If you hold a non-pound card, you will be charged for currency conversion fees. Another suggestion is they may link their website to Facebook, Twitter or other social networking sites to gain popularity.

PledgeMusic

Overall Rating: 2.7

http://www.pledgemusic.com/

PledgeMusic is one of the more popular fundraising sites for musicians. It was established in 2008. It is very easy for musicians to raise fund. Users can simply sign up an account to raise desired amount of money for their music projects. It is inked to Facebook, which makes it easy to sign up and draw attention. PledgeMusic is also a safe website for online transaction.

It also does not retain any ownership or rights to any music created through the platform. It encourages artists to include contributions to charity as part of their fundraising project. It does not process any funding transactions until the funding target is reached It is an international website. Its goal is to help musicians take control of their career by providing a platform which helps them get the funds they need to produce your record.

GoFundMe

Overall Rating: 2.67

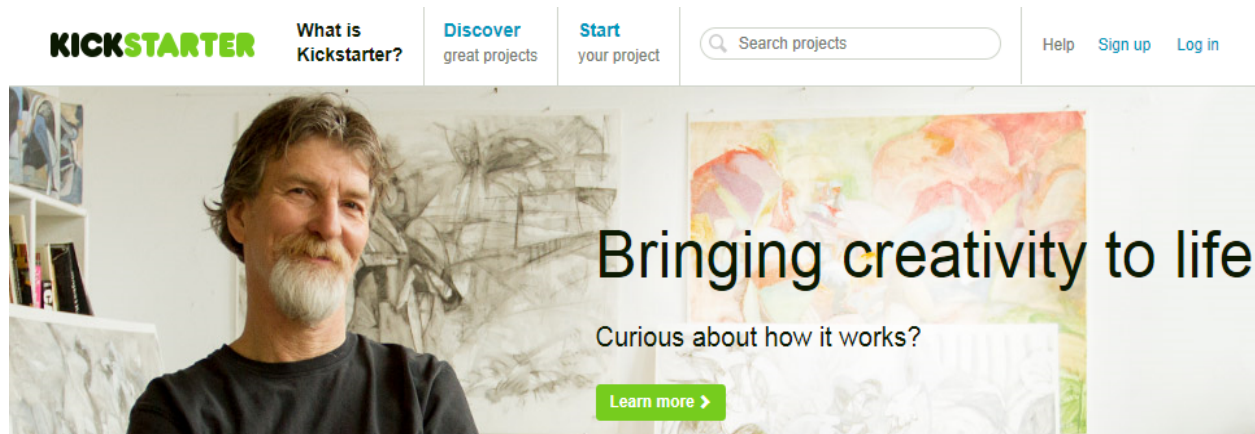http://www.gofundme.com/

Oocto is is an "all or nothing" funding portal which connects investors with musicians. They are both a crowdfunding as well as crowdsourcing website. Its user-friendly design is a big advantage. Users can easily access to the donation page or the signing up page. The transaction is under protection so it is also safe. It has connection with Facebook directly. Musicians can start fundraising campaigns but at Oocto they can also find highly skilled professionals in the music industry who provide services they need to help get started.

Disadvantage is this website is targeted on the Europe, especially France. It will be better if it can stretch out to the international market. It might also need to take more currency type besides Euro.

KickStarter

Overall Rating: 2.7

http://www.kickstarter.com/

This is definitely one of the most popular and well-known fundraising websites. The process to start a project is relatively a bit harder than many other fundraising sites, but is still easy to use. The website looks nicely organized and aesthetically good to view. The process the users need to go through and donate is pretty simple and straight forward. The fact that it requires information such as SSN from the project starter and it uses Amazon's Payment service contributes to its safety and reliability. According to the comments given by the reviewers online, this site is not only extremely trustworthy, but also very popular. Lots of people of different ages visit this site daily, and many fund raisers have raised a substantial amount of funds. For example, Worcester State Chorale is rising for their 2013 Italy Concert Tour. Their goal is 2500 dollars, and 140 dollars has already been collected in within only two days. There is even a project in Boston which aimed for 3,000 dollars but got 2,222,759 dollars raised. The goals for fundraising and prizes for the donators is to be set flexibly by the project starter.

Oocto

Overall Rating: 2.15

https://www.oocto.com/
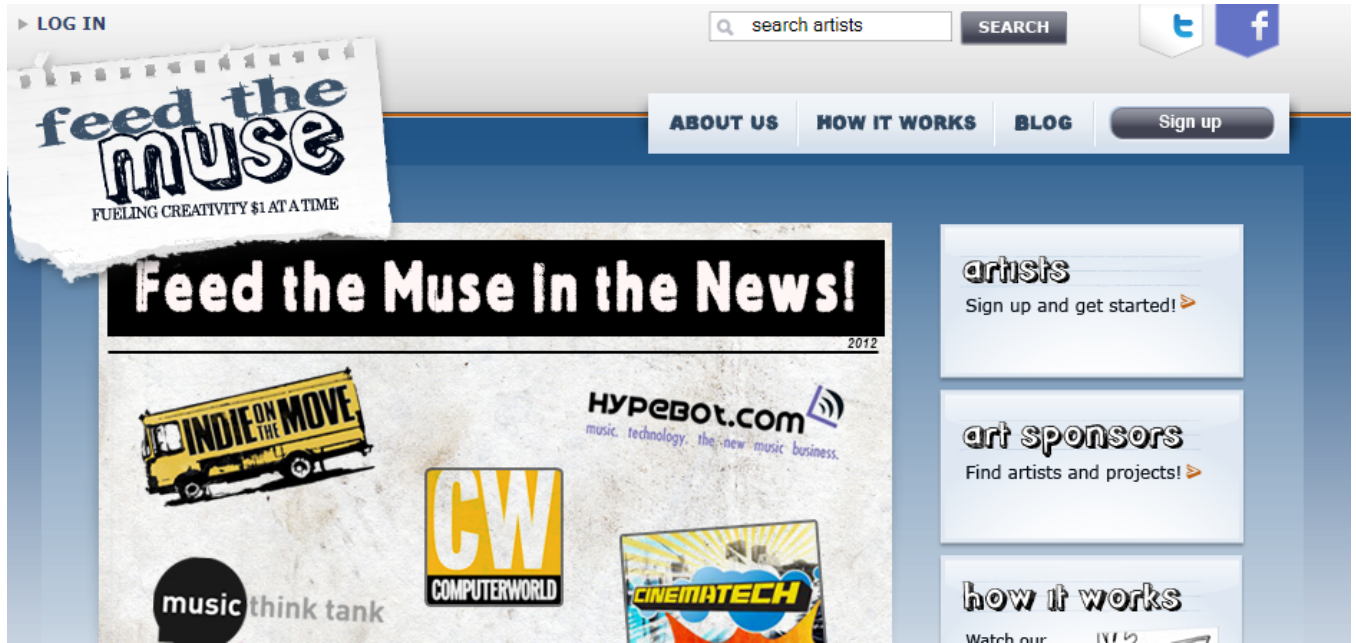
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Feed the Muse

Overall Rating: 2.33

http://www.feedthemuse.net/

Feed The Muse is a simple and safe way for fans, friends and family to support your creative ideas online. It is very beautifully designed. With the online tutoring, the signing up process and raising funds can be very easy. The website is also linked to Twitter and Facebook in order to increase its popularity. The transaction is protected as well so users don't need to worry about any safety issue. The 10% transaction fee is relatively lower than other sites. The website also supplies users with all the tools they need to effectively reach out to their community and raise funds to accomplish their projects. Users can even raise money for their film works. Disadvantage is that this site lack popularity. It should focus on attracting more users.

Rupee.US

Overall Rating: 2

http://www.rupee.us/en/

This website is easy for the program to register and to start a project. It is easy for the donators to use as well. They just need to click on the "I want to contribute!" button. The site seems very stable and many reviewers have given them good ratings. However, the site is not so popular compared to some other fundraising sites, resulting in no fund raised for many projects.
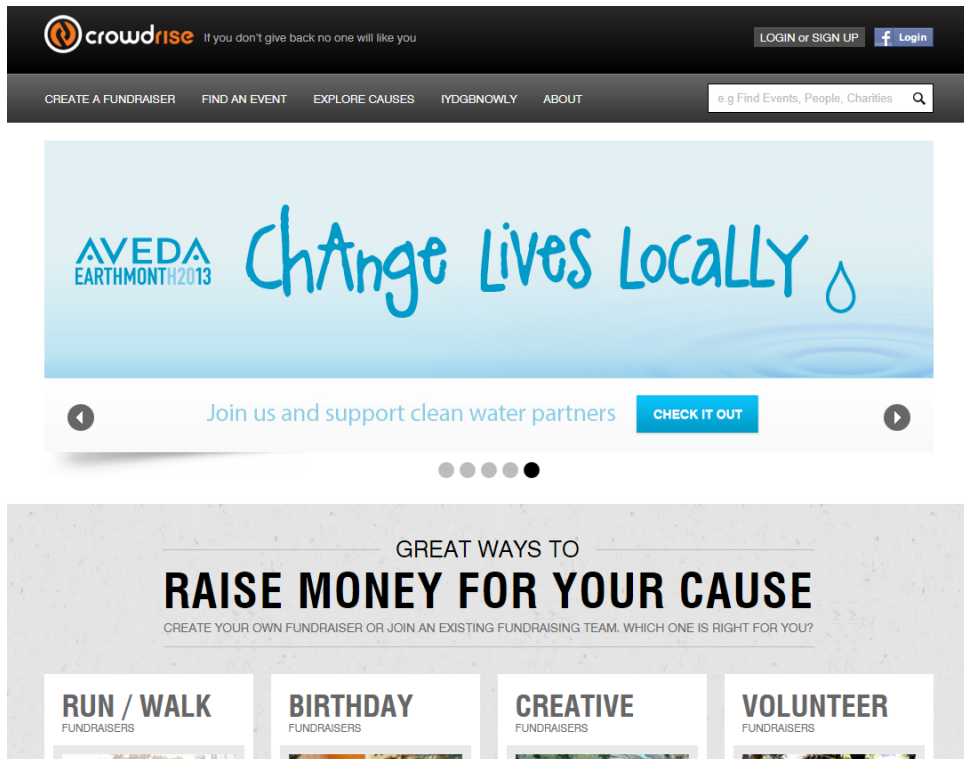
Crowdrise

Overall Rating: 2.4

http://www.crowdrise.com/

They claim "It takes less than 21 seconds to create a Fundraiser". However, from our personal experience, the project starting process is more complicated than other sites. This website is stable and it receives many positive reviews online. It can also be connected to Facebook and Twitter, which will help gain popularity. Many projects on this site have raised a great amount of funds (more than 10,000 dollars). But one identifying problem is that most successful fundraising projects are related to sports, which indicates music projects might lack popularity here.
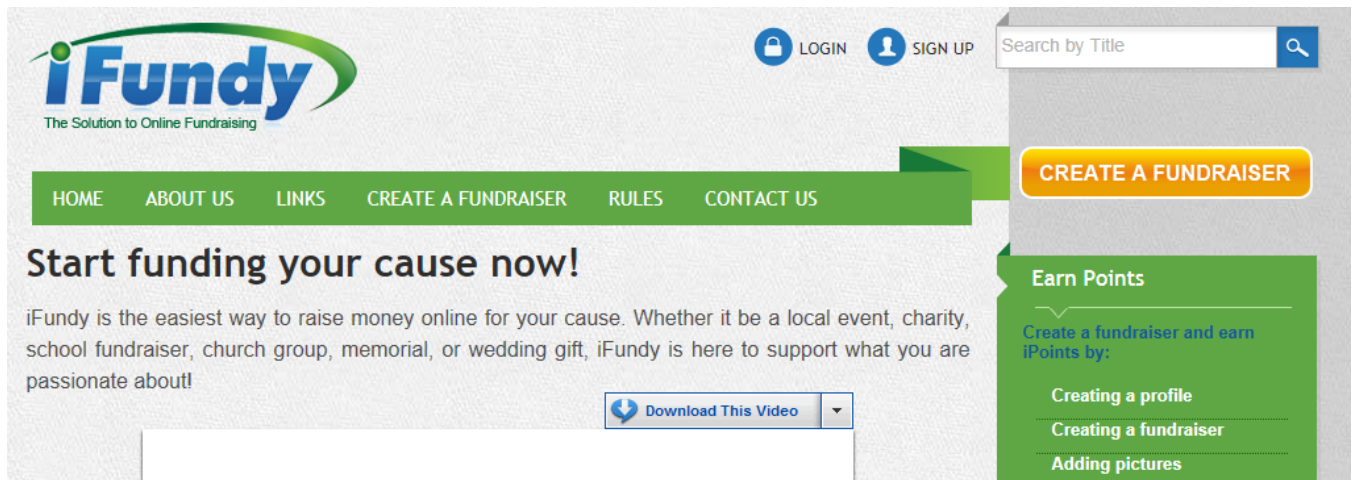
iFundy

Overall Rating: 2.35

http://ifundy.com/

This website's interface looks complicated, but both the process to start a program and the process to donate are actually quite simple. Its functionality and look are just as good as the other fundraising sites. However, just like Rupee.US, it is not very popular; even the most popular projects displayed on the index page got 0 dollars raised.

Based on the survey results and our own experience, we selected four sites out of nine. They are:

Musicians Benevolent Fund www.helpmusicians.org.uk

PledgeMusic www.pledgemusic.com

GoFundMe www.gofundme.com

KickStarter www.kickstarter.com

In all, according to our study and the survey results, we think the utilization of fundraising website is practical and suitable for raising fund for music tours of college students. The good fundraising websites are considered popular, easy to use, safe and reliable for potential donors, so they are a very good choice for fundraising in general.

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