



CROWD FUNDING PLATFORMS IN INDIA

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Abstract

Crowd funding is not so popular in India. The concept of crowd funding is not new in India. Collecting the funds as a donation for some social causes is in practice in the country from ages together. Though the concept of collecting the fund from the crowd is same but in crowd funding the collection should be through a platform (internet). The present paper highlights the various crowd funding platforms which exist in India.

Introduction

Globally the crowd funding industry has generated \$ 40 billion But India has contributed a negligible fraction of it though the country is now the world's second largest internet market with more than 400 million mobile users and many online payment options that make it easy to give money.

Crowd funding is limited to giving donations and loans. The Securities and Exchange Board of India (SEBI) claims the Indian public lacks adequate investment knowledge or experience and requires strict protection.

Crowd funding platforms in India, though not as popular as in other countries are slowly catching up and are playing a big role in fund raising. Many crowd funding platforms are emerging in India which help the fundraisers to raise funds for causes in various fields including cultural causes, entrepreneurship, medical causes, social causes etc.

Crowd funding platforms

Wish berry

Wish berry is a donations-for-rewards crowd funding platform founded in 2010 in Mumbai and is exclusively dedicated to funding creative projects – music, stand-up comedy, film production, art, dance, design, photography, publishing, theatre. A Wish berry adviser, a 'Campaign Coach', is appointed to each project to help the project creators write an effective pitch, make a good video (a video is compulsory) and handle the logistics of choosing, sourcing and distributing the rewards. This helps them achieve a very high 70% success rate.

The contributors are rewarded with non-monetary incentives such as invites to film premiers, limited edition merchandise, experience in the making of the project, a named credit and so on.

Fees and commission: wish berry charges a campaign consultation of Rs 3500 which is non refundable and onetime fee, Commission of 10% including payment gateway charges, only if they meet the funding requirement Wish berry works on an 'All Or Nothing' policy (which they also claim pushes up the success rate) and allows fundraisers a maximum of 60 days to reach their target.

Milaap

Co-founders: Mayukh Choudhury and Anoj Vishwanathan Based in Bengaluru and founded in 2011, Milaap began as a crowd funding platform for micro-loans for people in rural India, helping low-income borrowers with projects such as education, energy and water and sanitation.

Milaap added donations on its portfolio in 2014 and now allows donations and micro-lending for emergencies, neighbourhood projects, medical conditions, natural calamities and micro business projects.

Milaap has donors and lenders from over 120 countries for close to 50,000 projects, and has raised over USD \$12.7 million. It charges 5-8% of the funds raised from campaign owners.

Impact Guru

Co-founders: Khushboo Jain and Piyush Jain Beginning as a crowd funding platform for non-profit organisations in 2014, Impact Guru is a Harvard iLab incubated fintech platform based in Mumbai.

It helps individuals, non-profits, social enterprises, start-ups, corporate for their fundraising needs. It engages in donations, rewards crowd funding and investment fundraising.



In April this year, it had raised a seed round of USD 500,000 from Singapore-based venture capital fund RB Investments and private investment platform Fundnel. In the last year, the total funds raised by Fundnel and Impact Guru add up to \$8.5 million.

More than 100 causes and organizations from six countries have been benefited by Impact Guru's campaigns. While it is free to launch a campaign on Impact Guru, the platform charges a 5% fee along with transaction costs if a fund raiser chooses a 'Default' package on the portal.

Ketto

Co-founders: Kunal Kapoor, Varun Sheth and Zaheer Adenwala

Founded in 2012, Mumbai-based Ketto supports fundraisers in three main categories:

1. Community/social projects (NGOs/Non-Profits/Charities).
2. Creative arts (Movies/Music/Theatre/Fashion/Technology).
3. Personal development (Health/Education/Travel).

They also encourage corporate to search for projects to support as a way of demonstrating Corporate Social Responsibility, and allow NGOs to use Ketto as an e-commerce sales channel.

Ketto offers fundraisers a unique cash pick-up facility and charges 5-8% of the funds raised or USD 30 (whichever is higher in case of individuals and corporate) along with payment gateway charges.

Project creators keep all the money that is raised even if they fall below the target they set for their project.

The platform has so far raised USD 5,990,400 through more than 100,000 backers to support over 10,000 projects (averaging just under USD 600 per project).

Catapooolt

Founder: Satish Kataria

Commission Charged: project submission fee: 23 USD plus 10-15% commission of the total funding raised.

Founded in July 2013, Catapooolt has a long list of success stories to vouch for. Catapooolt focuses on project categories like sports, politics, social enterprises and start-ups apart from creative projects. Catapooolt claims to be the only crowd sourcing platform in India to give fundraisers access to distribution in 300,000 retail outlets with exposure to all their customers.

The crowd sourcing platform has helped 40 projects to raise funds amounting to almost 150,000 USD from over 2000 contributors.

Bit giving

Founder and CEO: Ishita Anand

Commission Charged: 6% – 10%

Based in New Delhi, Bitgiving enables people from various backgrounds (artists, engineers, etc) to come together, share their story and raise funds for several causes – entrepreneurial, social as well as creative projects. They focus 15% of their attention in raising funds for medical purposes.

Bit Giving has so far completed over 650 projects and notable success stories include projects to help Nepal after their earthquakes, sending an Indian athlete to the Olympic games, a project to help farm widows in Marathwada, and funding two months hospital treatment for a teenager with a rare disease.

Start51

Cofounders: Ateet Bajaj

Commission Charged: 5%

Start51.com works as a launchpad of crowd funding dreams. It aims at making direct financial contributions to campaigners from contributors. It follows all-or-nothing funding policy. If you manage to receive the overall funding, you keep it. If you don't you don't get the money raised as well. It supports people from all domains starting from film making, music, designing and many others. They assure both givers and seekers that the money has been spent to serve the community better through the project. It is based in Ahmadabad.

This crowd funding platform is mainly dedicated towards students and is helping them turn entrepreneurs! The platform helps them to create videos and assist them throughout the campaign.



Faircent

Co-founders: Rajat Gandhi, Vinay Matthews, Nitin Gupta

Commission charged: One-time listing fee of around USD 23 + an administration fee which depends on the size of the loan and interest amount. It doesn't earn from interest paid.

Based in Gurgaon, Faircent is a virtual marketplace and peer-to-peer lending platform where borrowers and lenders can directly interact and negotiate the terms of loans with no involvement of banks. The startup has thus been able to eliminate high margins on loans and has also achieved low institutional charges.

Fuel Dream

Founder: Ranganath Thota

Commission Charged: They charge 9% (2% gateway +7% contract charges) of the total amount collected in any of the campaigns. On the 9%, they charge an additional 14.5% service tax. All and all, the overall commission stands at 10.3%.

FuelADream was launched in Bangalore with 14 projects in hand in April 2016. It is a reward-based crowdfunding platform which focuses on several domains including social causes, creative art and charities. In their platform, fund raisers get two options: AON (All or Nothing) or KWYG (Keep What You Get) and can start any of the campaigns. If any of the AON campaigns fail to achieve its targets, all the money raised is returned back to the funders.

Fund Dreams India

Commission charged: 5% on the amount raised, additional charge of 3.95% as processing fees.

Fund Dreams India is an initiative by BlueBiz Ventures Pvt. Ltd. which helps people to raise funds for personal causes, life.

Rand De

Co-founders: Smita Ram and Ram N. K

Founded in Bengaluru in 2008, RangDe.org is an internet-based peer-to-peer micro-lending platform that facilitates micro or low-cost loans to rural entrepreneurs across India with the help of funders. A remarkable aspect is that over 93% of borrowers have been women.

This not-for-profit crowd funding portal has attracted 9,699 social investors and helped disburse 50,008 loans for a section of Indian population who are usually overlooked by banks and financial institutions. So far they have raised social investments of approximately USD 7 million while repaying very close to USD 5 million. Borrowers pay interest rates ranging between 4.5% and 10% p.a. for collateral free loans. Rang De gets a nominal cut of 2% on all the loans repaid by borrowers.

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