CROWDFUNDING PLATFORMS IN INDIA - FACTS BASED COMPARISON

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Abstract: Crowdfunding is the employment of tiny funds from a big number of individuals to finance a new business enterprise. Mainly there are 3 parties involved in the process of Crowdfunding viz Investors, Fundraisers & Crowdfunding Platforms. Crowdfunding platforms acts as an intermediaries between fundraisers & investors and provides all services. The prime aim of this paper is to review & compare few top Indian Crowdfunding platforms. Crowdfunding industry is growing at a faster rate & many new platforms are emerging in the market to cater the personal, social, medical and other needs. They have raised crores of funds in a short span of time form their inception and served the society according to its requirements.

IndexTerms: Crowdfunding, Crowdfunding Platforms, Crowdfunding Models, Funds, Investments.

INTRODUCTION
Crowdfunding is the employment of tiny funds from a big number of individuals to finance a new business enterprise. Crowdfunding can also be a fast and trouble-free way to meet unexpected, critical needs. Today, anyone with a smartphone can take part in making a difference with great ease. More and more people are now raising funds online with efficiency. Increasing digital access and the handiness of online payments are pushing more and more Indians to take the digital route to mobilize greater support for pressing needs on time.

Mainly there are three parties involved in the process of Crowdfunding viz Investors, Fundraisers & Crowdfunding Platforms. Investors are those who contribute funds for various causes. Fundraisers are the persons or organizations who generate funds through Crowdfunding platforms. Crowdfunding platforms acts as an intermediaries between fundraisers & investors and provides all services. Few top Indian Crowdfunding platforms are reviewed in next part of the paper.

1.1. OBJECTIVES
- To review Indian Crowdfunding Platforms
- To analyse the fact based comparison of Crowdfunding Platforms

1.2. CROWDFUNDING PLATFORMS IN INDIA
Crowdfunding platforms are Internet based websites that make available a path for a large crowd to provide money in small addition (the funds) in support of a person, project or entity. Following are few top Crowdfunding platforms in India.

1.2.1. IMPACTGURU
Impact Guru is established in 2014 by Piyush Jain - a graduate of the Wharton Business School and Khushboo Jain, an alumnus of Welingkar Institute of Management, headquartered in Mumbai. It is a donation based crowdfunding platform that offers global Crowdfunding solutions for NOGs, Individuals, Start-ups and social enterprises. It was launched by Maneka Gandhi in August 2015. Till date it has raised Rs. 130 Crore (inclusive of fund raised by strategic partners, global giving towards Indian causes). It has network in more than 15 countries. Their top funding categories are Medical, Transplant, Cancer, NGO, Child Health, Emergency, Education and Film. The platform charges a 5% fee in addition to transaction costs if a fund raiser chooses a ‘Default’ package on the portal.

In April 2016, Impact Guru joined hands with Singapore’s investment platform Fundnel to spout into philanthropic and investment capital from the Southeast Asian based NRIs. In September 2016, Impact Guru partnered with UN entity named UN Women to run the Project Inspire, associate degree initiative by Singapore Committee for UN Women in partnership with Bain & Company and MasterCard to support social entrepreneurs operating towards Women’s welfare.

It partnered with US and UK based crowdfunding platform GlobalGiving, the World’s largest NOG Crowdfunding Platform in October 2016 & became the first platform in the World to offer Indian/US/UK tax benefits to donors on one website. It became official fundraising partner for Wharton India Economic Forum, also partnered with Virender Sehwag & EPIC TV to raise funds for Indian Olympians in 2017. They hosted India’s first Symposium with GlobalGiving.

1.2.2. KETTO
Ketto is Mumbai based tech company, supported in 2012 by Varun Sheth, Zaheer Adenwala and Kunal Kapoor, and is engaged within the business of Crowdfunding. Associate in Nursing antique observe of raising little sums of cash from massive numbers of individuals to attain a typical goal. Ketto has given this offline perform an internet avatar by means of technology and processes to form the activity additional clear and efficient. It is an online fundraising website to raise funds for social, creative and personal causes from a large number of people who share your passion or concern.

It helps raising funds mainly in 3 categories
- Creative arts (Movies/Music/Theatre/Fashion/Technology)
• Community/social projects (NGOs/Non-Profits/Charities)
• Personal development (Health/Education/Travel)

It charges 5% - 8% fees on total fund raised. Till now it has supported more than 100,000 projects from over 10,000 contributors and rose around Rs.250 Crore. It has partnered with Google, London Business School, Columbia Business School, Scoo News, India Mantra, UDI System, CSR Live, Joolbee, Calcutta Angels etc. It is Asia’s one of the most visited Crowdfunding Platforms. Provides 24/7 support via call, text and e-mails. It accepts donation in INR & USD.

1.2.3. WISHBERRY

Wishberry is a Reward based Crowdfunding platform launched in 2012 headquartered in Mumbai, co-founded by ex-McKinsey analysts Anshulika Dubey and Priyanka Agarwal has raised Rs. 11.6 Cr till date. It has funded more than 400 projects. Investors of Wishberry includes Shankar Mahadevan, Google India’s MD Rajan Anandan, Sharad Sharma, Orbit Change Catalyst and Angel Investor, MakeMyTrip’s Deep Kalra and film director Vikramaditya Motwane, who had directed some of Bollywood hit movies. Its major funding categories are film, music, comics, theaters etc. It accepts only creative fundraisers, adopted all or nothing model and it allows fundraisers a maximum of 60 days to reach their target. It charges around 10% fees.

1.3.4. MILAAP

Milaap is a Bangalore based online Crowdfunding platform originated in 2010 by a team of young and passionate entrepreneurs Mayukh Choudhury and Anoj Vishwanathan by extending micro-loans. It enables to raise funds for healthcare, education, sports, disaster relief and other personal causes, with ease. As of April 2018, the platform has supported 100,000 causes by raising nearly Rs. 377 Cr which saved millions of lives across the country. Due to increased diffusion of social media and the popularization of digital payments, rapidly it has become India’s most favored platform to raise funds for personal causes. They charge 5-8% commission from campaign owners.

Milaap is supported by DBS. DBS not only provides monetary support but also gives speaking opportunities at key DBS events and opportunities to engage with DBS staff and customers. The National Skill Development Corporation India (NSDC) has partnered with Milaap to create the National Loan Portfolio Fund to provide affordable and accessible lending facilities for thousands of deserving youth.

1.3.5. RANGDE

Rang De is Bangalore based Debt Lending and Social Investment platform, established by Smita Ram and Ramakrishna in 2008. It is first online micro-lending platform; enables individuals lend money to low-income households in the country. Rang De has more than 13000 investors who came forward to fight against poverty in India. So far the team has risen around Rs. 637 million from various investors. As of now Rang De have 43 active field partners from all over India. Field partners have presence in over 18 States of India.

Tata Trust, The World Bank, Millennium Alliance, ICICI Foundation for Inclusive Growth, NABARD, and The Trafigura Foundation are the major funders of Rang De. It has partnered with a number of micro-financing institutions (MFIs) & NGOs to identify and screen borrowers at the grassroots level. It charges interest rates between 4.5% - 10% per annum. It gets a nominal cut of 2% on all the loans repaid by borrowers.

1.4. INDIAN CROWDFUNDING PLATFORMS- FACTS BASED COMPARISON

<table>
<thead>
<tr>
<th>Platform Name</th>
<th>Year of establishment</th>
<th>Founder</th>
<th>Category</th>
<th>Fundraised so far</th>
<th>Fees</th>
<th>Important Highlights</th>
</tr>
</thead>
<tbody>
<tr>
<td>IMPACTGURU</td>
<td>2014</td>
<td>Piyush Jain and Khushboo Jain</td>
<td>Donation based platform</td>
<td>Rs. 130 Crore</td>
<td>5%</td>
<td>• It helps for non-profit organizations &amp; fund for social projects</td>
</tr>
</tbody>
</table>
| KETTO         | 2012                  | Varun Sheth, Zaheer Adewala and Kunal Kapoor | Debt & Donation based platform | Rs.250 Crore | 5%-8% | • Co-founded by Bollywood actor Kunal Kapoor  
|               |                       |         |          |                   |      | • Accepts Indian & foreign donations through all popular modes  
|               |                       |         |          |                   |      | • A web App to track all activities of fundraisers.  
|               |                       |         |          |                   |      | • Provides promotional & marketing support |
| WISHERRY      | 2012                  | Anshulika Dubey and Priyanka Agarwal | Reward based platform | Rs. 11.6 Crore | 10% | • Accepts only creative fundraisers.  
|               |                       |         |          |                   |      | • Follows All-or-Nothing Model |
| MILAAP        | 2010                  | Mayukh Choudhury and Anoj Vishwanathan | Debt & Donation based platform | Rs. 377 Cr | 5%-8% | • Supports only personal causes  
<p>|               |                       |         |          |                   |      | • Doesn’t encourage NGO &amp; creative projects. |</p>
<table>
<thead>
<tr>
<th>Platform</th>
<th>Year</th>
<th>Founder(s)</th>
<th>Type</th>
<th>Capital Raised</th>
<th>Interest Rate</th>
<th>Features</th>
</tr>
</thead>
<tbody>
<tr>
<td>RANGDE</td>
<td>2008</td>
<td>Smita Ram and Ramakrishna</td>
<td>Debt based platform</td>
<td>Rs. 637 million</td>
<td>2%</td>
<td>No time-limit or minimum goals, Women borrowers are more in this platform.</td>
</tr>
</tbody>
</table>

1.5. CONCLUSION

In present days Crowdfunding industry is growing at a faster rate & many new platforms are emerging in the market to cater the personal, social, medical and other needs. Few top platforms among them are compared which shows they have raised good amount in a short span of time from their inception and served the society according to its requirements.

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