Crowdfunding Success: Analyzing South Korea’s Kakao

Hyo Won Lee¹ · Sang Min Kim²*
¹Assistant professor, Department of Political Science and International Studies, Incheon National University, Incheon 22012, Korea
²Assistant professor, Cultural Media, Global Leaders College, Yonsei University, Seoul 03722, Korea

[Abstract]
In this study, Kakao Gachigachi, an online crowdfunding platform powered by Kakao in South Korea, was introduced to investigate factors resulting in successful crowdfunding. The results revealed that the success of Kakao depends on the following two factors: (1) advancement and expansion of digital technology infrastructure; and (2) creative content provided through its platform to stimulate donor engagement. Unlike most existing studies on crowdfunding focusing on the role of either the fundraisers or the donors, this study emphasized the role of digital technology – the civic crowdfunding platform itself and its utilization of creative digital content. Furthermore, the study revealed how Kakao’s crowdfunding platform provides a seamless online-to-offline experience cycle that triggers greater awareness of public donations. The results of our analyses highlight the importance of creative content strategies in online crowdfunding.

[요 약]
디지털 기술과 콘텐츠의 발전은 크라우드 펀딩에 긍정적인 영향력을 행사하는가? 이 논문은 한국의 카카오 사례에 대한 분석을 통해, 크라우드 펀딩에 성공할 수 있는 요인에 대해 논의한다. 카카오의 성공적인 펀딩의 요인은 (1) 디지털 기술의 발전과 확장, (2) 창의적인 디지털 콘텐츠의 활용을 통한 참가자들의 참여 증진에 있다. 카카오 펀딩에 관한 다수의 기존 연구들이 기부자와 기금조달자의 역할에 초점을 맞추고 있으면, 이 연구는 디지털 기술의 발전과 확장, 창의적인 콘텐츠 활용이 성공적인 크라우드 펀딩에 핵심적인 요인임을 강조한다. 카카오의 크라우드 펀딩 플랫폼 ‘카카오 같이가치’를 통한 온라인과 오프라인 경험이의 연계는 시민들의 기부에 대해 긍정적인 인식을 가질 수 있게 도와준다. 카카오 사례는 효율적인 디지털 플랫폼과 창의적인 디지털 콘텐츠 활용 전략의 중요성을 시사한다.
I. Introduction

How does the advancement of digital technology trigger public donation to nonprofit organizations? Nowadays, the majority of our daily act occurs in a virtual space through mobile digital devices and platforms. One may say that the communication method has changed from one-sided to interactive communication and that the scope of this communication transcends time and space[1]. Back when smartphones did not exist, there were limitations in the way we utilized the web. However, in a world where we cannot fathom our lives without smartphones, sharing one’s view of the world via many kinds of online content has become a part of life. Then, how have these technological advancements influenced the of civil society? In this paper, we are particularly interested in the changes that occurred in fundraising by nonprofit organizations and the potential donors’ responses to them.

In the traditional sense of fundraising, people physically meet a potential donor or promote their project in person; however, the development of digital technology has made it easier to advertise and raise funds from individuals without meeting them. An example is the utilization of the online funding platform or crowdfunding—an act of raising funds for a specific purpose in the cyberspace. It is processed through the web and allows anyone to access it at any time; thus, the chances of raising funds are very high at a relatively low cost. Crowdfunding has been actively used by newly established startup companies who lack initial capital to promote investments. It is also known to be an efficient way of raising funds for nonprofit organization that does not have sufficient capital for advertisement. Such crowdfunding is known as “civic crowdfunding”—a subtype of crowdfunding where individuals raise funds for public interests[2],[3].

In general, considering the limited promotional budget for advertising crowdfunding and the low expected benefits for the donors, nonprofit organizations are known to be less successful in utilizing crowdfunding platforms compared to that of private corporates. However, even considering these limits, we may also easily find civic crowdfunding cases that are successful in raising funds and in drawing large attention from the public. This paper attempts to search for the factors that lead to successful civic crowdfunding for nonprofit organizations. We argue that the success depends on the following two factors: (1) how the development of digital technology infrastructure has become convenient for nonprofit organizations and potential individual donors and (2) how the potential donors are motivated via creative content strategies utilized via the crowdfunding platform. Our research is unique in that it focuses on the role of the crowdfunding platform and its utilization of digital content, while most existing studies emphasize the efforts of relevant actors—the fundraiser or individual donors. So far, there are many studies on analyzing creative content strategies executed by commercial brands to investigate the factors of customer engagement and profit gain[4]-[6], yet, there are not many studies that focus on creative content strategies carried out by civic crowdfunding platforms which is a non-profit business.

In order to support our argument, we analyze the content strategies within Kakao, Kakao Gachigachi, which is an online civic crowdfunding platform based on a Kakao Talk account. Kakao Talk is the number one messenger application for smartphones used by over 95% of population in South Korea. We find that the above two key elements—technological infrastructure and creative content strategy—are successfully fulfilled in Kakao Gachigachi. Due to the lack of studies in the field of civic crowdfunding compared to its increasing usage and effectiveness, we anticipate that the result of our analyses will be useful for content strategy planning in digital platforms that can contribute to public benefit. Furthermore, unlike many existing studies on stimulating public donation, which focus on the role of cognitive content explaining the background information of the funding projects, this research emphasizes the impact of creative content that can entertain the potential donors which lead to grasping their attention on the importance of donation. We found that aside from providing informative content, which is an essential factor in a civic crowdfunding platform, Kakao Gachigachi provides entertainment content to the potential donors which function as a major trigger behind their initial access to the informative contents.

In the following section, we discuss relevant existing studies and develop our theory on explaining the role of digital content provided in the crowdfunding platform to increase the awareness of public donation. Then, we analyze the case of Kakao Gachigachi to support our argument. We analyze the case by showing how technological advancements have offered convenience in public donations by utilization of a crowdfunding platform, how the platform provides creative content that can gain interest and trigger participation of individual donors, and how it provides a seamless online-to-offline experience cycle that leads to greater awareness on public donations. The final section concludes with policy implications for other crowdfunding platforms to evoke individual donations.

II. The Success of Crowdfunding

In this research, we are interested in how nonprofit
organizations utilize crowdfunding to raise funds for their targeted purpose. For nonprofit organizations, the development of crowdfunding has helped them expand and diversify their funding resources and donors[7],[8]. We question what factors lead to successful funding via civic crowdfunding platforms. The existing studies emphasize two different aspects of understanding the success of civic crowdfunding: the role of the fundraiser (nonprofit organization) and the role of individual donors.

First, most previous research on the effect of civic crowdfunding argued the importance of the strategies that are implemented by the fundraiser to increase their funding. It is particularly important for the nonprofit organization to convince the public or potential donors that their fundraising is legitimate and valuable. The legitimacy of the fundraiser is crucial in obtaining trust from potential donors[9]. For instance, it is significant for the nonprofit organization to provide information on their status, previous campaigns, and how they will utilize the funds. Such information can be used as a positive signal for the public donors[10]; it is also crucial to show the donors that the fundraising is expected to provide a valuable outcome and contribute to the society[11]. Thus, presenting a clear and credible advertisement for the donors is likely to increase the funding[12].

On the other hand, other works noted the importance of the individual donor’s networking effect on successful civic crowdfunding. They argued that individuals' increasing social networking has a positive impact on civic crowdfunding; for instance, prominent social network sites as Facebook, Twitter, or Crowdrise have become important platforms for fundraisers, triggering connections between individual donors[13]. These online platforms increased funds for nonprofit organizations and especially from new young donors[14]. Moreover, social networking often provides information on funding by individuals, which creates social or peer pressure incentivizing other public donors to support certain nonprofit organizations[13],[15].

While these works may suggest some strategies for nonprofit organizations to achieve successful civic crowdfunding, these are not sufficient enough to explain the discrepancies of fundraising among various crowdfunding platforms. Nowadays, most crowdfunding platforms show similar structures with ties to one or more social networks; yet, not all crowdfunding platforms are successful in raising funds for nonprofit purposes. We wonder whether or not utilizing creative online content that possesses an entertainment aspect in a civic crowdfunding platform can contribute to a more successful funding rate. Existing study shows that commercial brands providing good online content triggers the audience to participate. While information-based strategies may work best for high-involvement customers, transformational creative strategies, in other words, content that appeals to emotion and psychological characteristics of the target audience, are more effective with low-involvement consumers[4], we question if this is also the case with civic crowdfunding platforms. In order to examine the success of civic crowdfunding, it is important to understand how the crowdfunding platform can efficiently present and spread information about the fundraiser or nonprofit organization and trigger support from public donors. Thus, although we develop our theory based on the existing literature, our focus is on the efficiency of the crowdfunding platform and the content itself instead of the two actors (nonprofit organizations and individual donors).

III. The Impact of Technological Advancement and Digital Contents

This paper suggests two important factors that determine the efficacy of a civic crowdfunding platform. To begin with, the evolution of digital technology has acted as a convenient way to shed light on civic crowdfunding among the broader public. Due to the advancement in digital mobile technology, it is much easier for the fundraiser or nonprofit organizations to reach the public in both online and offline spaces. Within the online space, mobile technology has set the general public free from the limitation of space and time[16]; thus, one can now easily access and learn about civic crowdfunding cases around the globe. One may also receive real-time online news or feedback updates on civic crowdfunding and entertainment content such as web-toons or events that indirectly promote certain civic crowdfunding cases; what is more, technological development has led to the connection of online and offline spaces. Nowadays, the importance of seamless online and offline experience has never been so significant. When discussing successful digital marketing, bridging the gap between the virtual and the physical is a key factor[17]. If civic crowdfunding cases can connect online donation with offline volunteer works or vice versa by utilizing the online platform, this can lead to the success of civic crowdfunding. In other words, technological development has led the individual to contribute to public benefit.

However, these technological changes alone cannot fully explain the success of civic crowdfunding. The more important question is how these newly developed digital infrastructures—mobile technology, digital platforms, and online content—have motivated individuals to contribute to the enhancement of public interest. We may find some works that deal with the ways to motivate the donors to fund nonprofit organizations via crowdfunding[18],[19]. Yet, here we aim to explain how the
crowdfunding platform can be utilized to stimulate the voluntary participation of public donors. This is particularly crucial in the case of civic crowdfunding because, unlike investments for private corporates with high expected economical rewards in return, there are almost no expected direct economic benefits for the donors with most civic crowdfunding cases.

We argue that stimulating the access or participation of individuals via crowdfunding platforms is essential for them to initiate their donation to nonprofit organizations. The enhancement of voluntary public donation is possible under two following conditions. First, it is likely to happen when one perceives the importance of the civic crowdfunding case encountered. This is when individuals are constantly exposed to the informative content such as promotional background storytelling of the corresponding civic crowdfunding cases via online platforms; for instance, the implementation of visual content in crowdfunding platforms is likely to enhance the efficiency of conveying information to the public[20],[21]. Further, the severity of the case can be even emphasized to the individuals when their peers share information on the same case from various channels of social network services[22].

Second, and more importantly, the individual donors’ emotional status when they encounter civic crowdfunding cases may also influence their donations[23]-[25]. In the psychological aspect, an individual’s decision-making, especially in the case of consumption, is closely related to their emotional status[26]-[30]. Borrowing from the literature, we expect that individual donors’ decisions are also determined by their psychological engagement. It is widely known that an effective way to convince the public to donate is by increasing their empathy toward the fundraising target; for instance, when people encounter images of poverty or illness in young children, they tend to engage more and increase their donations. The enhancement of these negative emotions such as sadness or fear is mainly utilized for fundraising appeals[31],[32]; in addition, some even argue that triggering positive emotion or happiness often prevents donations because it may enhance jealousy instead of empathy[33].

Recent studies have begun to focus on the role of positive emotion in promoting donations. According to [23], the combination of negative and positive emotions can trigger donations from the public, whom are led to positively view fundraising appeals by the positive emotion of “feeling strong” along with sadness. This is because strong emotion can prompt one to help people in need. Similarly, focusing on the role of nonprofit organizations, [34] also argued that positive emotions are associated with a higher level of nonprofit donations. By analyzing the use of emotions via wording of statements as advertising tool for nonprofit organizations, they found that for “nonprofits, (and) the combination of positive and negative emotions may be particularly powerful in motivating donors and volunteers”. For them, the expectant impact of positive emotion can be particularly found when utilized by nonprofit organizations because it is closely linked to feelings of social bonds and sharing that trigger the increased engagement of volunteers[34],[35]. Whether it is triggered from negative emotions or positive emotions, these existing works clearly present the importance of psychological engagement in changing individual behaviors on donations; thus, the core question will be how we can effectively utilize psychological engagement to increase donation. Instead of focusing on nonprofit organizations’ way of imposing emotion as a strategy, as in previous works, we argue that the creative online content conveyed by crowdfunding platforms, which might often not be directly related to the fundraising target, can be a crucial tool for enhancing such engagement and donations. [36] stressed the importance of psychological engagement stating that the consumers are not passive recipients of information but active participants. Therefore, we expect that when the potential donors are actively participating and interacting with the online content provided in the civic crowdfunding platform, this will strengthen their psychological engagement and gain their interest in funding as well. Perhaps, most of the nonprofit organizations still tend to only present informative content that stimulate negative emotions for the individuals; if a civic crowdfunding platform can provide creative content that can entertain the potential donors along with the informative content, this combination of the two is likely to further increase donations. These creative contents can be useful even when they are irrelevant to the fundraising. Entertainment within the crowdfunding platform may first increase the individuals visit to the platform, which will eventually expose them to the information on non-profit fundraisings.

In sum, the development of advanced digital technology allows nonprofit organizations to utilize crowdfunding platforms to change the stimulate donors’ participation and, more importantly, further generate awareness and interest in public welfare and donation. We think that such ‘awareness and interest’ can be developed by the creative online content strategies provided through the crowdfunding platforms, such as Kakao Gachigachi.

IV. The Case of Kakao Gachigachi

In this section, we introduce the case of Kakao Gachigachi, an online civic crowdfunding platform, as an example of successful tool for public donation. We chose Kakao Gachigachi for two main factors. First, Kakao Gachigachi is widely exposed to the public due to the powerful connection of Kakao Talk, which
functions as the base platform. Kakao Talk is a “smartphone-based messenger application” owned by Kakao Corporation and launched in March 2010 in South Korea. As of 2018, it is used by 94.4% of smartphone users in South Korea and available in 15 different languages. By utilizing its powerful mobile connection among the people in South Korea, Kakao Talk has expanded its business areas to include its own platform of social networking service, public transportation map, taxi-hiring, navigation, fintech, and so on. Kakao Gachigachi is a digital platform on which anyone can initiate a donation project or make donations for public welfare and interest; therefore, we may easily assume that the public is well exposed and informed about it.

Second, there have been 13,167 fundraising projects so far, and about 37.4 million dollars of funds have been raised. About 10.7 million dollars were raised solely for the year 2020[37]. Although numerous existing studies focus on Kakao Talk[38][39][40], we have not been able to find any works on analyzing the case of Kakao Gachigachi despite its scope of public influences. Thus, we analyze this case in terms of its technological factor, its content strategy on stimulating motivation for donations, and its way of offering seamless online-to-offline experience cycle that leads to greater awareness of public donations.

4-1 Technological Factor

Evolving mobile technology is one of the elements accelerating today’s digital transformation. As this technology progresses, our worlds are being connected, breaking the boundaries of time and space; as a result, traditional patterns of purchasing goods or services, communication, or interaction have completely changed. The way of promoting donation and the action of donating are not an exception. Although traditional methods of donation still exist, one cannot stress the increased benefits of crowdfunding, which can be seen in the case of Kakao Gachigachi. We explain the technological benefits of this crowdfunding platform in stimulating donations from the public in the following three aspects, which are particularly unique for the Kakao Gachigachi compared to other civic crowdfunding platforms.

First, Kakao Talk, the base platform for Kakao Gachigachi, is a digital platform that functions via mobile technology. The launch of Kakao Talk coincided with the introduction of smartphones, after which people were able to easily and frequently connect and interact regardless of time and space. Due to the reason that Kakao Gachigachi is linked with Kakao Talk, which is undoubtedly the top mobile messenger application in Korea and can be accessed by clicking a button within Kakao Talk, the donation projects listed in Kakao Gachigachi that aim for public welfare can be widely exposed to the broader public. It is very easy to access Kakao Gachigachi via Kakao Talk with merely a few clicks of a button via a personal mobile device. Many users of Kakao Talk would easily be exposed to the civic crowdfunding cases of Kakao Gachigachi, and this is a very unique feature compared to any other civic crowdfunding platforms not only in South Korea but also around the world. In fact, most other civic crowdfunding platforms are likely to be only accessed by a limited number of people who are already interested in donation. However, because Kakao Gachigachi is connected to Kakao Talk, people who were initially not interested or did not have any knowledge of civic crowdfunding can acknowledge the importance of public donations.

Second, Kakao Gachigachi utilizes diverse strategies enabled via the Kakao Talk messenger platform to gain public attention for their main users, nonprofit organizations, or fundraisers. For example, Kakao Gachigachi donates an amount of KRW100 (approximately 10 cents in USD) when anyone shares a link, clicks on the support button or writes a supportive comment for all the donation projects listed. For the sharing option, one can share the link to four social networking platforms (Kakao Talk, Kakao Story, Facebook, Twitter) or copy and paste the link to share it anywhere. For clicking the support button, one merely needs to click on the button to donate. This act can be executed once for every project. Considering an individual’s feeling of self-fulfillment or satisfaction when one makes a donation, sharing a link, clicking a button, or writing a supportive comment can be regarded as a simple action with almost no cost that comes with a satisfying reward. Therefore, anyone who has a Kakao Talk ID may participate in this procedure and make a donation without spending any actual money. In 2020, there were 517,608 cases of sharing the donation projects listed on Kakao Gachigachi, 5,060,714 cases of clicking on the support buttons, and 1,965,819 cases of writing support comments[41]. This can have a positive influence on both the fundraiser and the donator; as this sharing and supporting builds up, it is more likely for Kakao Gachigachi to also be recognized.

Finally, Kakao Gachigachi provides informative or entertaining content continuously and regularly via Kakao Channel, which reminds the receivers about the donation projects listed in Kakao Gachigachi and the importance of sharing them with others. When one befriends a Kakao Gachigachi channel from one’s Kakao Talk, one can receive updated information, backstories, webtoons, and also stories on a regular basis after a certain donation that has been strategically planned out by the fundraiser to promote civic crowdfunding cases is fulfilled. This is similar to sending a newsletter via email at regular intervals in order to keep in contact with the customers, which is one of the
key strategies in digital marketing for increasing brand awareness. For instance, during the lunar holiday season, Kakao Gachigachi sent out a message wishing everyone to be happy during the new year, and underneath the message were images of donation projects. The biggest image was about a donation project raising funds to feed the low-income seniors, and the three other smaller images were about raising funds for child welfare, shoe funds for seniors, and a seniors’ welfare center. The new year’s wish message was strategically matched with some of the civic crowdfunding cases that would evoke complex feelings of love and sympathy during the new year’s holiday season, which one expects to be filled with love and warmth. Therefore, if one is interested in any of the donation cases, one would simply click on the image, which will be linked to the corresponding donation page.

In sum, unlike other crowdfunding platforms, Kakao Gachigachi fully utilizes technological advantages with creative content strategies, making it easier for the potential donors to access many of the civic crowdfunding cases so that they can participate in active donation and also gain awareness in making the world better.

4-2 Strategical Factor

The digital content provided in Kakao Gachigachi not only attempts to support the donation projects but also indirectly triggers potential donors’ motivations by affecting their emotions via creative content that can be entertaining and engaging. This is an incomparable approach that is differentiated from any other existing civic crowdfunding platforms. Some studies question the effectiveness of using emotion to increase donations and volunteers for nonprofits, as previously noted. While both negative and positive emotions do contribute to a higher donation rate[23], [34], except for Kakao Gachigachi, none of the other civic crowdfunding platforms in South Korea have any creative online content that can entertain, interact, engage, and evoke the potential donors’ emotions other than the informative content of the promoted donation projects. Like other civic crowdfunding platforms Kakao Gachigachi also presents informative content such as stories behind all the listed civic crowdfunding projects that can influence potential donors’ emotions. These stories mostly trigger individuals’ sadness or empathy, which can be a driving force for increasing donation. However, at the same time, Kakao Gachigachi provides other entertaining creative content that attempts to strengthen the psychological engagement with the potential donors through positive aspects of an emotional state, such as happiness and joy. This combination of positive emotions with negative emotions will likely further enhance the potential donation rate. These entertaining contents may also increase individual visits to the Kakao Gachigachi webpage, exposing the public to information on nonprofit donations.

Then, how does Kakao Gachigachi entertain and trigger positive emotions in potential individual donors? This is done by providing creative online content which the users (potential donors) can participate with interest and also share with their friends. An example of this is self-diagnosis and meditation content via its platform. The reasoning behind Kakao Gachigachi’s implementing self-diagnosis or self-awareness content is because, when one has a clear understanding of oneself, that person is more likely to make changes and improvement on oneself or the surrounding environment. First, Kakao Gachigachi offers interactive content that analyzes one’s emotional status from both a broader and personal perspective. In a broader sense, it analyzes the rate of happiness of South Koreans by age and geographic locations; in a personal sense, it analyzes one’s characteristics by five categories (openness, diligence, extroversion, agreeableness, sensitivity). Open results are posted for everyone to view, and personal results can be shared with friends. People can also comment on these results. Active participation can be witnessed, and positive feedback on such content and how Kakao Gachigachi is caring for the community and the individual can also be found. We argue that such positive feedback will likely to provide a positive evaluation on the platform itself, which will result in higher exposure and user participation, eventually contributing to a higher rate of donations.

Another way that Kakao Gachigachi triggers engagement of potential individual donors is by providing meditation content. Kakao Gachigachi has a section containing meditation therapy audio-visual content created by therapy specialists and categorized into specific themes such as “corona depression,” “relationship problems,” “anger management,” and so on. It also has a section for listening to healing sounds such as ASMR and the calming voices of famous celebrities. The contents of these meditations include sounds that can be heard from nature, such as the sounds of rain drops, bird chirping, the beach, and so on. It also includes voices of Korean celebrities including Byung-hun Lee, Bo-young Park, and Go-eun Kim, who are very well-known actor and actresses. They read out either poems or verses in a book that tries to sooth people’s mind and develop positive emotions. Access to these contents lead the individuals to consistently visit Kakao Gachigachi platform. By increasing these visits to attain positive and entertaining contents, the individuals will have higher chance to be exposed to the information on nonprofit fundraising as well.

http://dx.doi.org/10.9728/dcs.2023.24.4.881
4-3 Seamless Online-to-Offline User Experience Cycle

Nowadays, as the number of people engaging and interacting with brands via various digital channels increases, improving customer experience (CX) is one of the key factors of successful digital transformation. Strategic planning and orchestration of digital content that offers a unique customer experience are crucial in digital marketing, especially since Millennials and Generation Z are well used to experiential marketing. In addition, since consumers expect personalized digital experiences, providing a one-of-a-kind experience that seamlessly connects the online and the offline is vital. According to “2021 Consumer Trend Insights”, customer experience is a journey that sails from trust to immersion and to loyalty. One can say that a successful customer experience cycle is completed when this journey is in repetition[42] and when the customers act loyal to a certain brand. Although Kakao Gachigachi is not a digital platform aiming for commercial profit, it provides unique customer (user) experience that connects the online and the offline, contributing to greater awareness that our society can be a better place when we help each other. Such experiences are offered by two features: Mystery Voluntour Bus and Kind Picnic.

First, Mystery Voluntour Bus is a nonprofit social project group established in 2014; since then, it has had about 4,000 participants volunteering in more than 200 facilities[43]. It was inspired by a nonprofit corporation project, the Do Good Bus in the US, where one gets on a bus without knowing its destination but will volunteer and contribute to having a social impact by helping others in need. The main idea of getting on a bus to volunteer is similar to the Do Good Bus with Mystery Voluntour Bus; however, it slightly changed its programs targeting the Millennials and Generation Z by adding entertaining elements targeted for the younger generations to activate volunteer works and social impact. In 2016, Mystery Voluntour Bus and Kakao Gachigachi became main partners, and from then on, Mystery Voluntour Bus has been a featured content on the Kakao Gachigachi platform. Kakako Gachigachi continuously sponsors funds for Mystery Voluntour Bus. Therefore, people who want to participate in Mystery Voluntour Bus can get information and apply via Kakao Gachigachi. Since the partnership, there have been seven seasons of Mystery Voluntour Bus, which targets people in the 20-39 age range who want to contribute to the community but have no idea where to start. In a sense, Mystery Voluntour Bus arranges everything for those who want to volunteer and meet other people with similar interests. One would need to befriend and subscribe to the Kakao Gachigachi channel from Kakao Talk to receive information on the Mystery Voluntour Bus. Most communication, such as information, participation application, or fees, is dealt via Kakao Gachigachi platform. There is an online community within Kakao Gachigachi, an image gallery where one can interact with others and also discover other participants’ experiences on the Mystery Voluntour Bus. Once everything is confirmed online, people gather in an offline space to hop on a bus of random choice, find out where they are volunteering, make friends, and make a social impact. Each bus has a different entertaining program allowing them to get to know each other. This is strategically planned so that a participant may want to participate the next time because every experience will be different. The recent Mystery Voluntour Bus (season 10), which occurred in November 2019, received applications from 2,465 people, among whom 1,280 people were selected to participate, and 49 buses were on the road.

Second, Kind Picnic is a nonprofit social project participation service featured within Kakao Gachigachi. Many nonprofit organizations can apply online to Kakao Gachigachi to promote their social projects to recruit volunteers. In a sense, Kakao Gachigachi functions as a medium that connects the general public with these organizations through its online digital platform. Due to the reason that most nonprofit organizations do not have sufficient capital or a system where they can inform the public, they can utilize the online platform of Kakao Gachigachi to gain offline volunteers. People can find out about the project from Kakao Gachigachi platform once a Kind Picnic project is open as well as receive messages regarding the project from Kakao Talk if the person is subscribing to the Kakao Gachigachi channel. In 2019, there were 17 volunteer projects listed on Kind Picnic requested by 12 nonprofit organizations, and the average participation rate was 91%. For instance, Kind Picnic arranged a project for volunteers to deliver coal briquettes to the low-income elderly who lived alone on Christmas eve of 2019. There was an opening for 100 volunteers, and the participation rate was 100%.

After the Kind Picnic volunteer works are completed, reviews and reports on the projects are posted on Kakao Gachigachi, and people who have participated can comment on their valuable experience. There is also an “encore” button that people who find the project meaningful can click to request more similar volunteer projects after viewing the stories, reviews, reports, and the participants’ comments posted online. People can also easily share these posts by clicking on the share button.

These two features in Kakao Gachigachi provide the users (potential donors or volunteers) with a unique experience helping the community and making a social impact through seamlessly connecting the online and the offline space. By utilizing the online space, Kakao Gachigachi strategically displays digital content so that people can be informed of the help needed in our society and the meaningful volunteer work done by other people.
In addition, they can gain awareness on the importance of donation and volunteering. These process can be evolve into offline volunteer works and into the realization of how valuable such experience is. This would be shared through the Kakao Gachigachi platform as comments or review stories that more people can be made aware of and participate in, thus forming a seamless online-to-offline user experience cycle.

V. Conclusion

How can public donation be triggered for the wellbeing of our community? The advancement of digital technology has led individual donors to easily access information on fundraising projects of nonprofit organizations. Civic crowdfunding, which is a subtype of crowdfunding where funds are raised for public purpose, is often utilized as an efficient tool for nonprofit fundraisers who do not have enough capital to advertise their fundraising projects. However, we noticed that not all civic crowdfunding is successful; thus, we question why some public fundraisings via civic crowdfunding platforms are successful, while others are not. We find our answer in the creative and entertaining characteristics of its online content provided by the crowdfunding platform. While many existing researchers present the role of the fundraiser or the donor to explain the success of nonprofit funding projects, this research argues that the planning and execution of creative content strategies in a civic crowdfunding platform are crucial factors that determine the success of fundraising.

More specifically, we found that the technological advancement in crowdfunding platform and the provision of positive and entertaining digital contents for the donors enhanced public participation in nonprofit fundraising projects. These features are well presented in the case of Kakao Gachigachi, a South Korean civic crowdfunding platform. In terms of technology, Kakao Gachigachi is easily accessible from the public and provides many informative digital contents regularly and continuously to drive the individual donors’ participation in fundraising. The general population may also voluntarily share these contents with their peers based on this advanced digital infrastructure. In addition, Kakao Gachigachi provides creative online content with an entertaining aspect that generates interest on the platform or fundraising for potential donors. Aside from the funding projects, it drives individuals to check their own emotional status and attempts to trigger happiness in them; their meditation therapy may be a good example. These fun and engaging content have indeed been working as good resources to catalyze public happiness and increase their consistent visits to the platform. Further, the case of Kakao Gachigachi provides seamless online-to-offline user experience via diverse activities such as Mystery Voluntour Bus and Kind Picnic. These are excellent examples of how actions on digital platforms or in virtual spaces can be connected to real life.

This article contributes to the existing literature in that it analyzed the case of Kakao Gachigachi, which is understudied compared to its efficacy of raising funds and popularity within South Korea. Nevertheless, it would be misleading for us to view Kakao Gachigachi as a prototype civic crowdfunding platform. Although it has so far been successful in South Korea, these characteristics might not be feasible for countries with different experiences and backgrounds. Therefore, further studies on creative content strategy in civic crowdfunding platforms around the world may support or enhance our argument on successful public fundraising. Moreover, this paper expands the scope of literature to incorporate fundraising success for nonprofit organizations. We presented that both informative and entertaining contents are crucial for promoting public donation. In light of this argument, the ways of advertising for nonprofit funding may also be diversified.

Acknowledgement

This work was supported by the Yonsei University Research Grant of 2020.

Reference

Crowdfunding Success: Analyzing South Korea’s Kakao

https://doi.org/10.1002/mar.20761


https://doi.org/10.1093/jcr/ucz012

이효원(Hyo Won Lee)

2008년 : 인천대학교 대학원
(정치학 석사)
2015년 : University of Washington
(정치학 박사)
2016년~2021년 : 인천대학교 글로벌인재대학 조교수
2021년~현재 : 인천대학교 정치외교학과 조교수
※관심분야 : 국제기구(NGO), 비정부 기구(NGO), 국제정치 등

김상민(Sang Min Kim)

2011년 : 인천대학교 (영상학 석사)
2016년 : 인천대학교
(영상예술학 박사)
2019년~현재 : 인천대학교 글로벌인재대학 조교수
※관심분야 : 디지털 리터러시, 디지털 콘텐츠, 디지털 참여 등