



## J R C T E C H N I C A L R E P O R T S

# CrowdEmploy Crowdsourcing Case Studies:

## An Empirical Investigation into the Impact of Crowdsourcing on Employability

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## PREFACE

As the Internet pervades the economy and society, new tools and cultural models for human activity are being developed that change the practices and possibilities of work: the way that tasks are executed, how they are organized; how human capital is contracted, exploited and developed; and the ways and places that people are able and choose to work and develop their working life.

In the current economic context where a key policy emphasis is on employment, the JRC-IPTS Information Society Unit undertook a project, ICT4EMPL Future Work, to building understanding of four novel forms of internet-mediated work activity, both paid and unpaid: online work exchanges, crowdfunding, online volunteering and internet-mediated work exchanges (time banks). The study comprised four parallel studies of the state of understanding and practice in these areas, and in depth qualitative studies of the users and creators of services based on these concepts, specially analysed from the perspective of employability (the 'Crowdemploy' study).

These reports capture some of the ways work, and pathways into work, are changing, with the aim of identifying whether these offers opportunities for policy to promote employment, growth, or represent new challenges with respect to labour markets and employment conditions, such as creating new barriers to participation in the labour market. There is considerable public, private and third sector activity in these areas, and many initiatives can be seen as models of social innovation. It reflects policy concerns in a range of EU Flagship programmes, most notably, the Agenda for New Skills and Jobs, and specifically the European *Commission Employment Package* 2012 Key Action 8 which identifies a need to "Map new forms of employment", and the *Social Investment Package* 2013.

The studies are both descriptive and analytic and set out to answer:

1. How do new internet-based systems based on exchange or donation of labour, or capital provision, operate from both the user and operator perspectives?
2. What are the opportunities and challenges that each of these types services present to policy?

A series of reports emerging from the project are available on the JRC-IPTS website. <http://is.jrc.ec.europa.eu/pages/Employability-TheFutureofWork.html>

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# 1. INTRODUCTION

## 1.1. The CrowdEmploy study

This report one of a series of reports from the Institute for Prospective Technological Studies of the European Commission's Joint Research Centre ICT4EMPL Future Work study. The studies focus on the changing shape of work in the 'internet age', with technology, culture, globalisation and the economic crisis together creating new opportunities and encouraging people, businesses, public bodies and the third sector to explore new forms of business and work. These relatively recent online interactions present new opportunities, impact on the way people interact with each other and with organisations, and have led to changes in skills required and used. This report is based on a set of in-depth qualitative cases commissioned from The University of Warwick (the 'Crowdemploy' study).

The CrowdEmploy case studies explore the relationship between the use of internet-enabled exchanges and employability. These case studies address the following interrelated research questions:

- How do internet-enabled models based on exchange or donation of labour or capital operate from both the user and operator perspectives?
- What are the opportunities and challenges that these services present for employment and employability?

The starting point of the ICT4EMPL and the CrowdEmploy studies was the term 'crowdsourcing', coined by Howe (2006). Crowdsourcing was originally used to refer to the act of outsourcing a function once performed internally in a company or institution to a network of people in the form of an open call.<sup>1</sup> For the purpose of the CrowdEmploy study we adopted a much broader definition of crowdsourcing which allows us to focus on the possibility to access a wide range of resources via the internet and on the challenges and opportunity that this presents for individuals. Thus, the working definition of **crowdsourcing** for the purposes of the CrowdEmploy study was stated as:

An online mediated exchange that allows users (organisations or individuals) to access other users via the internet to solve specific problems or to achieve specific aims.<sup>2</sup>

More precisely, the CrowdEmploy study focuses on 'crowdsourcing' in relation to:

- 1) using the internet to access funding for personal or social projects, including start-up businesses and other ventures with a direct or indirect connection to employability and/or employment;
- 2) using the internet to access paid work (which is likely to be conducted remotely); and
- 3) using the internet to access unpaid work and develop employability skills.

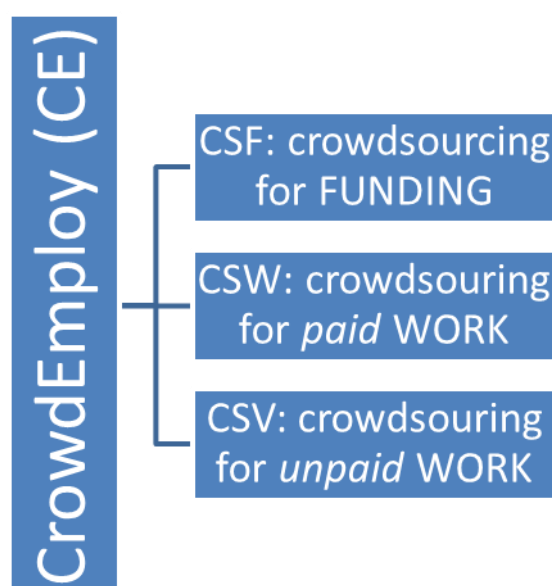
The CrowdEmploy study focuses on the relationship between these exchanges and employability. In doing so, it focuses on three areas of crowdsourcing: using the internet to access funding (CSF); using the internet to access and undertake paid work (usually undertaken remotely) (CSW); and using the internet to access unpaid work in the form of reciprocal exchanges or volunteering opportunities (which may be undertaken remotely), especially with the aim of developing skills for paid work (CSV). Figure 1.1 provides a diagrammatic representation of the CrowdEmploy study and its focus.

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<sup>1</sup> See also [http://crowdsourcing.typepad.com/cs/2006/06/crowdsourcing\\_a.html](http://crowdsourcing.typepad.com/cs/2006/06/crowdsourcing_a.html)

<sup>2</sup> The term 'users' highlights the fact that the actors that represent the supply and the demand side vary depending on the type of crowdsourcing initiative involved.

**Figure 1.1: CrowdEmploy: Focus of the study**



The CrowdEmploy study includes a review of the literature<sup>3</sup> and a series of case studies focusing on the points above. The case studies investigate crowdsourcing initiatives within their ‘real-life context’ by using multiple sources of evidence (see Yin, 1989:23) including telephone interviews, secondary data and information publicly available online. The unit of analysis for these case studies can be defined as crowdsourcing platforms providing a range of services. The platforms researched were selected purposefully based on their potential to reflect the impact of crowdsourcing on employment and employability, though they cannot be regarded as representative. Where an initial choice of platform was not available to participate in the study, a further choice was made in coordination with IPTS. The platforms researched are:

- Peopleperhour – a UK-based crowdsourcing for paid work platform;
- Slivers of Time – a UK crowdsourcing for paid work matching platform operating in the public, private and voluntary sectors as a staffing tool for outsourcing and finding work in the local community;
- PleaseFund.Uk – a reward-based crowdfunding platform from the UK;
- SociosInversores – an equity-based crowdfunding platform from Spain;
- Do.It – a UK-based platform for facilitating volunteering;
- Tauschringer – exchange rings in Germany.

## **1.2. Structure of the report**

The first and second sections of this report focus on using the internet to access and undertake paid work. This area is known as ‘crowdsourcing for paid work’ and was labelled in the Desk Research report as CSW. Case studies from *PeoplePerHour* and *Slivers of Time* are presented.

Using the internet to access funding was labelled as CSF and is the focus of the third and fourth sections of this report. It presents case studies from the UK platform *PleaseFund.Uk* and a Spanish platform, *SociosInversores.es*.

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<sup>3</sup> Barnes S-A, de Hoyos M, Baldauf B, Behle H and Green A. (2013) *Review of State of the Art and Mapping: CrowdEmploy*. Prepared for IPTS by the Warwick Institute for Employment Research.



The fifth section of the report examines crowdsourcing for volunteering (CSV) and presents the case of Dolt.org.

The final section focuses on using the internet to access unpaid work in the form of reciprocal exchanges. It presents a case study of *Tauschringer*, which stands for exchange rings in Germany, and is an umbrella terms for organisations where individuals can exchange goods and services.

The results presented are exploratory and provide understanding of how crowdsourcing operates and of the opportunities and challenges it presents in terms of employment and employability. The rich descriptions presented will serve as a basis for further research by suggesting approaches to be taken in the study of internet-enabled exchanges as well as which questions might be asked. Some of the emerging issues may be relevant beyond the case study in question, but further research is required to confirm this.

## 2. CSW CASE STUDY: PEOPLEPERHOUR (UK)

### 2.1. Introduction

#### 2.1.1. Description and development of the PPH platform

PeoplePerHour (PPH) is a CSW matching platform “where employers find freelancers and freelancers find work”;<sup>4</sup> (see <http://www.peopleperhour.com/> for further details). Its founding was inspired by a “vision of the future of a world which works in a more open and interconnected way, where both the provider and buyer of work get the job done smarter, more flexibly and more independently”. The management team at PPH aims to power the transition towards ever more businesses “using remote talent in the cloud to become more productive, lean, agile and tap into better talent”.

PPH was established in 2007 by the founder from a London office. In 2008 it was featured on the BBC 6 o’clock News. In December 2010 Series A funding was secured for £3.6 million led by Index Ventures and Michael van Swaaij (former Chairman of Skype), an angel investor. In April 2011 PPH opened an Athens office (mainly concerned with technical developments) and in May 2012 a New York office. In October 2012 a further £2 million funding was secured from Index Ventures. By May 2013 PPH had over 450,000 users in over 200 countries. PPH is the UK and European leader in online working.

From the time of the launch of PPH ‘employers’ have posted jobs on the PPH internet platform for freelancers to respond to. This conventional CSW model of employers specifying jobs and selecting workers (in this case freelancers) to undertake them has continued.

In July 2012 PPH launched ‘Hourlies’ – partly to transform the way people think about getting jobs done online and, as a by-product, to encourage more activity, more quickly for users, with the purchase of an Hourlie leading to another job, and perhaps another bigger job. Hourlies involve freelancers posting specific services on the PPH internet platform that they can undertake for a set price (often in an hour – hence the name ‘Hourlies’) for ‘employers’/‘buyers’ to browse and respond to. This way of working accords with the PPH mission of: “allowing people to recognise their dreams of working for themselves and building their business from the ground up. One hour at a time.”<sup>5</sup> One year later a new feature – Hourlie Add-ons<sup>6</sup> – was introduced allowing the addition of extra services to Hourlies.

These new features are indicative of the evolution and dynamism of the platform. Key drivers of change are users’ feedback<sup>7</sup> and developments in hardware and software. With regard to hardware key developments are the greater use of mobile devices and tablets, while advances in software allow for a much more ‘real time’ experience. The PPH management team reported that legislation and regulation are not key barriers in the future development of the platform; their perception is that regulators increasingly appreciate the importance of innovation and technology in driving entrepreneurship.

PPH offers access to a worldwide virtual workforce for short- or long-term jobs. Over three-fifths (63.5%) of users in May 2013 were in the UK, with the next largest shares in India(9.9%), the USA

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<sup>4</sup> Northcott M. (2013) ‘BLOG: New age freelancing is genuinely cool’, *Management Today* 9 July 2013, <http://www.managementtoday.co.uk/news/1190028/BLOG-New-age-freelancing-genuinely-cool/?DCMP=ILC-SEARCH> (accessed 26 July 2013).

<sup>5</sup> From presentation on PPH provided to the researcher.

<sup>6</sup> See <http://blog.peopleperhour.com/blogroll/updates/add-a-little-extra-to-hourlies-to-put-more-money-in-your-pocket/> (accessed 8 August 2013).

<sup>7</sup> Users can post feedback on current services and ideas for new services on PPH forums – see <http://blog.peopleperhour.com/blogroll/introducing-a-new-feature-requests-forum/> (accessed 8 August 2013).

(5.3%), Pakistan (2.6%), the Philippines (2.0%), South Africa (0.7%) and Canada (0.7%). In the UK 47% of users were in London.

Typical users of PPH, in terms of posting jobs and buying services, are microbusinesses (i.e. companies with fewer than 10 employees) who do not have the resources to hire all skills in-house. Just over 50% of those selling services are female and just under three in every five users is aged between 18 and 34 years (see Table 2.1). In the adult age groups the male age profile is somewhat younger than for females. PPH estimates that around a third of those undertaking work via PPH are full- or part-time employees who freelance 'on the side', while the other two-thirds are a combination of professional freelancers, stay-at-home parents, self-employed individuals, etc.

**Table 2.1: Gender and age profile of PPH users<sup>8</sup>**

Gender (%)	Age (%)							Total
	13-17	18-24	25-34	35-44	45-54	55-64	65+	
Female	6	14	14	8	6	3	1	52
Male	5	17	13	6	3	2	1	48
Total	12	31	27	15	9	4	2	100

### 2.1.2. Categories of work

Types of work undertaken on PPH include (in usual descending order of volumes of work undertaken on the platform) design, Web development, writing, business support, video photo and audio, marketing and PR, creative arts, search marketing, admin, social media, translation, and software development, followed by categories of 'extraordinary', tutorials, and mobile. Within each of these categories there are sub-categories (see Table 2.2 for examples from selected major categories).

**Table 2.2: Examples of categories and sub-categories of work on the PPH Website**

Category	Subcategories
Design	3D graphics, animation, brochure design, business cards & stationery, CAD, fashion design, graphic design, illustration, logo design & identity, print, product design, UX design, other
Web development	ASP, AWS/Cloud, C#/.NET, Drupal, eCommerce, Facebook, Flash/ActionScript, HTML/CSS, java, javascript/AJAX, Joomla, My SQL, NoSQL, Payment Gateways, PHP, Python, Ruby, Twitter, Wordpress, Other
Writing	blog/article Writing, copy editing/writing, creative writing, CV/resume writing, E-books, ghost writing, journalism, proof reading, report writing, screen and script writing, technical writing, Web content, other
Business support	accounting, auditing, bookkeeping, budgeting & financial planning, business planning, business setup, data analysis, finance, fund raising, HR/payroll, legal, research and survey, tax advice, other

The average hourly pay rate on PPH across all sectors is estimated by PPH as £22 per hour, but given the range of sectors and activities across PPH it is questionable how meaningful such an 'average' is.

### 2.1.3. How the platform operates for 'buyers' and 'sellers'

For the remainder of this case study the term 'buyer' is used to describe those organisations and individuals purchasing services by posting jobs on PPH and/or buying Hourlies on PPH. The term

<sup>8</sup> From presentation on PPH supplied by PPH.

‘seller’ is used to describe those individuals undertaking work for payment via PPH by responding to jobs posted on PPH and/or from Hourlies. Despite this distinction it should be noted that ‘sellers’ can become ‘buyers’ – either simultaneously or subsequently, and likewise ‘buyers’ can become ‘sellers’ (although this is likely to occur less frequently than in the former case).

The manner in which PPH operates for ‘buyers’ and for ‘sellers’ is summarised in Table 2.3.

**Table 2.3: Summary of the operation of PPH for buyers and sellers**

Buyers	Sellers
<i>Post a job</i> – outlining to freelancers what is needed, receive proposals, review and select, make a down payment to start the job, which is released on completion	<i>Build a profile</i> – outlining story and skills
<i>Search ‘Hourlies’</i> – see if offers meet requirements	<i>Search for jobs and submit a proposal directly</i> – search and get notifications of jobs; 15 proposals per month free – can buy more proposal credits
Search sellers’ profiles and <i>contact freelancers directly</i>	<i>Post ‘Hourlies’</i> – outline what can do for a fixed price
NO CHARGES	PPH ‘TOP SLICE’ PAYMENT

As indicated in Table 2.3, *buyers* can either post a job (providing details of an hourly rate or a fixed price) on PPH, wait for proposals to come in, select and contact one or more likely ‘sellers’ through PPH to discuss a proposal in more detail.<sup>9</sup> In order to ensure that the services purchased meet buyers’ requirements and to help sellers in bidding for jobs, buyers are urged to provide a clear brief – setting out details of deliverables expected and timescales, and a realistic budget. Secondly, buyers can search Hourlies systematically, or on spec, to see if these provide the services required. Thirdly, buyers can approach sellers directly and invite them to bid for work.

When buyers award jobs/ purchase Hourlies they are asked to pay one or more deposits (relating to specific job milestones) or place all funds into an Escrow account with PPH. Funds are held in the Escrow account until the job has been finished, the seller raises an invoice, and the buyer confirms that the job has been completed and pays the invoice. This Escrow facility provides the seller with security that the funds are available before starting work on particular milestones of the work or the whole job.

Just as it is in buyers’ interests to write a clear brief setting out services required, so *sellers’* need to build a profile on PPH, providing (what they consider to be) relevant details about themselves and setting out their skills. They can obtain work in two ways: first, by registering for notifications of jobs likely to be of interest to them and/or by searching for jobs posted on PPH and submitting a proposal directly. Sellers are advised to write a clear proposal without delay – tailored to the needs of the ‘buyer’, including relevant samples setting out what they can do (as appropriate) but not free ones. Secondly, sellers can obtain work via buyers responding to Hourlies that they have posted on PPH.

#### 2.1.4. Funding model

The key principle underlying the PPH *funding model* is that no charges are placed on buyers for posting jobs or for finding and using sellers on PPH (see Table 2.3). However, buyers incur fees for payment processing when using a credit/debit card or PayPal to pay for services on PPH. Buyers also incur a small fee if they choose to have their job listed as ‘urgent’ on PPH.

<sup>9</sup> Buyers and sellers are encouraged to undertake all communications and make all agreements on the PPH ‘WorkStream’. In the event of a dispute, buyers and sellers are encouraged to try and resolve disagreements between themselves. In case of the need for PPH Customer Services to provide dispute resolution, PPH will use the communication in the WorkStream as sole evidence.

While it is free for sellers to register, promote their services, post Hourlies and search for work on PPH, sellers incur costs on earnings from work obtained from and undertaken through via PPH. From August 2012 the service fees for sellers involved:

- 15% (excluding VAT) on the first £175<sup>10</sup> billed and paid by the Buyer in the calendar month; and
- 3.5% (excluding VAT) on all work billed and paid for *after that* in the month.

The 15% fee on the first £175 is where PPH makes its profit, whereas the standard 3.5% fee following that is a servicing fee designed to recoup costs and serve PPH customers. The pricing structure is designed to support loyal users (i.e. those using PPH most) and to encourage sellers to do more than purely ad hoc work through PPH each month.

Sellers receive a free allocation of 15 proposal credits per month for bidding for jobs on PPH. Sellers can purchase additional proposal credits for a fee. Sellers also incur fees if they purchase 'extra features' – including 'featured proposals' and 'featured Hourlies' – that are designed to help them win work on PPH. Seller feedback suggests that paying for extra advertising to 'feature' an Hourlie can boost interest and sales, so easily recouping the costs incurred.<sup>11</sup>

#### *2.1.5. Feedback and rating system*

Trust between buyers and sellers in PPH is built via an online reputation system based on feedback reviews involving a 'star ratings'<sup>12</sup> and comments system for work carried out on PPH.<sup>13</sup> The buyer can (but need not) rate the seller, and vice versa when the seller completes a job and the buyer pays the invoice. The feedback rating and comments given are based on personal opinion and so are subjective.

If a job is cancelled by the seller (for example due to a problem with delivering the work on time or to specification) the seller will automatically receive a 1 star feedback review. If a cancellation is caused by the buyer then the buyer will automatically receive a 1 star feedback review.

The rating system is designed to help buyers select sellers and to advise sellers about buyers. Hence feedback ratings on PPH are an important indicator of the reliability of PPH users (both buyers and sellers) based on their track record on PPH. On a user's profile page the feedback scores they have received on jobs are displayed as a buyer (under "My Buyer Activity") and as a seller ("My Seller Activity"). An overall feedback rating is provided which is the percentage of positive (4 and 5 star) reviews that they have received over the total number of reviews received. Buyers and sellers with high overall ratings appear at the top of relevant buyer and seller lists on PPH.

## **2.2. Experience and insights of selected buyers and sellers**

### *2.2.1. Introduction to case study buyers and sellers*

The findings in this section of the case study represent the experience and insights of eleven users of PPH: five buyers and six sellers. PPH was invited by researchers at IER to participate in the research as a case study platform. Once collaboration was agreed, PPH provided IER with names and contact details of five buyers and five sellers as potential candidates for the case study. As requested by IER, the buyers and sellers were selected purposively to reflect some of the diversity

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<sup>10</sup> PPH's rationale for the £175 fee is that this is the average day's earnings on PPH; (for the remainder of the calendar month sellers' only pay at cost on their earnings).

<sup>11</sup> For a review aimed to support sellers see <http://blog.peopleperhour.com/blogroll/the-benefits-of-featured-hourlies-an-impartial-review/> (accessed 8 August 2013).

<sup>12</sup> From 1\* for the worst rating to 5\* for the best rating.

<sup>13</sup> While feedback is at the centre of the online rating system the synthetic algorithm producing the ratings also takes account of factors such as speed of response, job abandonment rates, refunds and disputes. The feedback system is honed over time.

of users of PPH, albeit these interviewees should not be regarded as representative of PPH users.<sup>14</sup> Of these potential candidates four buyers and five sellers were interviewed.<sup>15</sup> A fifth buyer known to the research team was interviewed, as was a sixth seller identified by one of the buyers. Interviews were conducted by telephone and lasted between fifteen and sixty minutes. Interviews followed a semi-structured format covering the following topics:

- *Buyers* – motivations for using PPH; whether used, and experiences of using, other CSW platforms; how services would be sourced if PPH was not used; frequency of use of PPH; skills needed to use the platform and learning/ skills acquired through use; how opportunities may be made attractive to sellers; quality control issues; examples of experiences of using PPH; overall assessment of the platform; and likely future prospects for CSW.
- *Sellers* – motivations for using PPH and whether motivations changed over time; experience of using PPH with reference to specific examples; other (economic/ non-economic) activities undertaken alongside freelancing on PPH and work-life balance issues; whether have used other CSW platforms and reasons for selecting PPH/ other platforms; skills development/ knowledge exchange associated with use of PPH, and implications for employment and employability; development and use of social networks; overall assessment of the platform; and likely future prospects for CSW.

For summaries of buyers' and sellers' characteristics see Tables 2.4 and 2.5.

**Table 2.4: Summary of buyers' key characteristics**

Business size	Sector	Services bought	Frequency of use	Use of other sites
3 microbusiness; 1 with > 10 employees, 1 sole trader	R&D; education; IT; publishing/ marketing; retail	design; writing; Web development; software development; marketing and PR; social media	frequent; one or more jobs posted every few months; occasional (dictated by project needs; for outsourcing work)	2 'No' 2 'Yes, occasionally' – for specific purposes; 1 'Yes, often' – for testing ideas

**Table 2.5: Summary of sellers' key characteristics<sup>16</sup>**

Education	Services sold	Motivations for use	Economic position	Engagement with PPH
Masters degree (1); First degrees (2); Higher level professional qualification (1); school leaver qualifications (1) not specified (1)	marketing and PR (2); social media (2) writing (3); design (2); Web development (1); software development (1); visualisation (2)	additional income generation (2); generate income after redundancy (2); re-entry to labour market following 'time out' (1); interest (2); fits with non-work responsibilities (2); advertising company services (1)	employee and freelancer (2); freelancers (self-employed) (4)	key component of freelancer income (4); important but minority source of freelance income (1); for top up freelance income only (1)

<sup>14</sup> Given the way that interviewees were identified it is likely that the views and experiences in this case study are skewed towards individuals with relatively positive views.

<sup>15</sup> Interviews were conducted in the period from late April to June 2013.

<sup>16</sup> Some sellers provide more than one service and have more than one motivation underlying use of PPH.

All interviewees were based in the UK, so reflecting the majority usage of PPH. Interviewees were given pseudonyms and these are used in subsequent discussion:

- *Buyers* (5)– Bernard, Brian, David, Oliver, Stephen
- *Sellers* (6) (three men, three women) – Edward, Kath, Keith, Nicola, Robert, Tara

In the remainder of this section findings from the case study interviews are presented on a thematic basis, distinguishing between the experiences of buyers and sellers.

### 2.2.2. *Why use CSW and why use PPH?*

Motivations to use CSW may be categorised into cost and non-cost reasons for buyers, and similarly into economic and non-economic reasons for sellers. Reasons for using PPH relate to a range of cost/economic and practical considerations, albeit few buyers and sellers had undertaken a detailed assessment of alternative CSW platforms; (one buyer attributed his lack of assessment of other platforms to “laziness”).

#### *Buyers*

Cost considerations were a key motivation for buyers to engage in CSW and to choose PPH specifically. For microbusinesses CSW offered a way of accessing resources as and when needed without bearing any costs when resources were not needed; hence it represented a flexible resource which can be turned up, down, on and off as required. Several interviewees mentioned that it was more cost-effective to pay per task or per hour, rather than to engage workers on an employee basis and so incur overheads. As Stephen noted:

“It is a cost effective way to get things done. We use [various CSW platforms] as a supplement to direct employees; I only have a few employees but lots and lots of outsourcing people [via CSW].”

Two of the buyers specifically mentioned previous (larger) business ventures where they had been employers with employees. Both of these buyers had taken a specific decision to adopt an ‘online model’ for their current ventures and to make use of freelancers using CSW. As David explained:

“One of the great things is that we don’t have to get involved in employment legislation. We have not got the hassle you normally get with employing people. With our previous business we might have employed up to 100 people and that was one of the reasons we went down the route of outsourcing because we know all the problems of administering lots of people [i.e. employees]. We don’t have the unenviable task of saying ‘goodbye’ to people. ... We hated having to make people redundant. We know exactly what we are going to pay for a job and people know exactly what they are going to get.”

Bernard had not used CSW at the outset when he launched his business, but explained how cost was a key consideration in his current labour sourcing strategy, in which CSW was a large component:

“We know a lot of people. We started out using people we knew but gradually outgrew people we knew so we started buying in [various different sorts of] expertise from companies. But this was quite expensive and a quite uncontrollable way of doing things because you had to go to an organisation and they would deliver it back. ... We started finding sites like PPH. We cut out overhead, complexity and lack of control in going to a company, and instead we bought in the exact expertise that we wanted on a project by project basis [via PPH].”

PPH was particularly attractive because of the funding model not imposing costs on buyers, albeit two of the five buyers had not investigated/ used other CSW platforms. Of those who had used other platforms, cost considerations were a key reason for using PPH. One interviewee explained that he had used *freelancer.com* on a previous occasion, and had incurred costs in posting a job and

then in engaging with a CSW worker. He noted that this proved too expensive for him, so he would only use PPH in the future.

Non-cost reasons given by buyers for using CSW were ease of use, speed of response, provision of access to one-off services, access to many potential sellers and generation of ideas. With regard to access to many potential sellers than formerly they would have had access to. Stephen highlighted how:

“Every day we are dealing with people in the Philippines, in India, in Bulgaria, all over the place, not just people in [part of] London.”

Likewise, Brian indicated that he had commissioned work from Poland, Brazil, Spain and France. In terms of CSW as a means of generating ideas, Stephen described the use of *fiverr* (a US-based CSW platform offering services from \$5) as a cheap way to “test the market” and “stimulate ideas” to inform job specifications, before using PPH for “more up market stuff”.

Buyers noted that if they did not use CSW, and specifically PPH, sourcing of labour would be “more difficult”; David indicated that: “the business would not have developed in the same way without PPH”. Oliver explained how he had employed a student part-time based at a local educational establishment to undertake a research and writing task at £10 per hour, but found that this arrangement did not work out as well as hoped and that the individual had to be paid whether or not the specified work was completed. Now he either engaged an individual at his business premises (for more complicated work, as necessary) or paid for research and writing tasks via PPH.

In summary, cost considerations were of key importance in motivating buyers to use CSW, and PPH specifically, as was access to large pool of labour to undertake specific tasks, as and when necessary.

### *Sellers*

Economic considerations were a key motivating factor for sellers to engage in CSW. As noted in Table 2.5, it was a means of generating additional income for those in employment, as well as a means of generating income following redundancy. Robert had never intended to work on a freelance basis, but decided to set up on a self-employed basis after seeing no prospect to the end of short-term working prompted by the recession in his position as an employee. He came to self-employment unprepared and started using PPH as a means of accessing work. He had also looked at *oDesk.com* and *freelancer.com* but considered that PPH had more UK-based work that was relevant to his skills.

By contrast, Kath had “always wanted to be self-employed” and had “dabbled” on PPH when she was an employee. Tara (from a family where several members were self-employed) had first used PPH when, on leave from her work as an employee, she was “bored”. She said: “I thought I would look for work” because of a needed for extra income. She “started to pick up bits and pieces”.

Tara has continued generating income from PPH while working as a part-time employee (in a very different capacity from that relating to her seller activities via PPH). When made redundant in the recession Kath continued working in a freelance capacity on PPH, at the same time as applying for employee posts.

Similarly, Nicola started to engage in CSW as a hobby, noting that: “I thought I would be doing other bits and bobs”. She built up a profile on *oDesk.com* before moving her portfolio to PPH and realising that she could gain a full-time income working in this way. A key reason for using PPH as opposed to other platforms was economic:

“oDesk seemed to be for people without qualifications, but I have qualifications. I had a degree. oDesk did not recognise that, but PPH did and buyers on there did seem to realise that to get good quality work you would have to pay at least the minimum wage. It [oDesk] seemed a bit like ‘bid the cheapest and we’ll pay for it.’”

Edward already had his own business when he started using PPH in an exploratory fashion:



“I put my profile and portfolio on PPH just to see what happened. ... After two months I had more interest through PPH than I was getting through traditional forms of marketing.”

Since then he had expanded his selling activity on PPH (and another CSW platform), such that PPH had become fundamental to his business.

For Keith CSW, and PPH, provided a means to re-engage with the labour market after several years out of work, and to re-learn and practise skills that had become rusty. For him PPH had “pretty much served its purpose” and he was ready to “move on and get proper clients”, as he did not think he could make a living via PPH. However, he was grateful to PPH for the opportunity afforded to him to move towards a more favourable economic position.

CSW also provided a way of overcoming discrimination in the labour market and of overcoming barriers to working on-site at an employer’s workplace. One seller noted that personal experience indicated that (older) age seemed to be a barrier to getting work as an employee, but age did not matter for CSW. Hence CSW might be a particularly useful way of accessing employment for those individuals suffering labour market discrimination.

As indicated in the discussion above, some of the sellers had a desire to be self-employed, or were very open to being self-employed, before engaging with CSW and PPH. In some cases sellers had been motivated initially by interest rather than economic factors, but economic motivations had become more important over time as their selling activity had “taken off”. Life course considerations played a role in some instances, including CSW activity enabling sellers to work flexibly during and after pregnancy; the flexibility afforded by CSW “fitting in with the family” and childcare responsibilities was advantageous.

As with buyers, so some sellers highlighted the advantages of CSW, and PPH specifically, as a means of providing access to a large potential pool of employers; as one seller indicated: “It’s like a portal onto the whole world”. This seller worked for buyers worldwide, and had recently been commissioned by buyers based in the USA, Africa, Norway and India.

### *2.2.3. Use of PPH*

This sub-section discusses the types of jobs that users of PPH are involved with, the frequency of use of PPH and how use of PPH fits into a wider portfolio of buying/ selling activities.

#### *Buyers*

As indicated in Table 2.4, the buyers interviewed used PPH to buy a variety of services, including design, writing, Web and software development, marketing and PR, and social media activities. Some used PPH to purchase a variety of services, whereas others purchased one specific service only. Some only posted specific jobs, whereas some supplemented this activity with use of Hourlies – with varying degrees of success. Others commented that they had not seen a need to use Hourlies to date. Two of the buyers used PPH predominantly for commissioning specific writing jobs, although one had used PPH for social media activities also, while the other had commissioned software development services previously. In both of these instances the writing required was subject-specific and was divided into batches of X number of units. In one case, the writers were also concerned with data entry into a pre-defined bespoke system.

Frequency of use of PPH by case study buyers ranged from ‘occasional’ to ‘frequent’. One buyer indicated that he started buying only a couple of times per year, but that he used it more as his business had grown. Other buyers used PPH on a frequent or ongoing basis.

In all cases PPH was not the sole source of labour input for the buyers interviewed. However, in three of the five cases it was a major way of sourcing work required.

#### *Sellers*

Table 2.5 details the range of services sold by the six case study sellers. The services listed include writing, marketing and PR, social media, design, visualisation, Web development and software

development. Robert started off by selling services that were akin to those in his previous employee position, but he had since diversified his portfolio to take on some additional types of work. He had posted an Hourlie, but had experienced mixed fortunes from this. Kath had also bid for work in the field where she had experience as an employee. She noted that she had always enjoyed the work, but preferred doing it in a self-employed capacity which afforded her more freedom than she had as an employee. She had also posted Hourlies relating to one of her specialisms, after initially having been rather sceptical about the merit of doing so, and had found them lucrative:

“I have had so many hits on them I have had to ‘pause’ them. Then people come back for future work. They promote you for longer-term work. I generally do them in 24 hours, so it’s great for topping up your income.”

Similarly, Edward noted that “cheaper Hourlies” helped to “draw buyers in”, who might subsequently pay more for larger jobs. He noted:

“I get so many enquiries through the Hourlies that I don’t end up pitching for any projects people have posted. I don’t have the time to look at them and pitch.”

Tara reported had a similar experience that Hourlies accounted for an ever greater part of her workload, such that she does not need to bid for work in the same way as previously; albeit she noted that she would occasionally bid for work “if I really fancy it”.

Five of the six sellers used PPH frequently, while the sixth used the platform occasionally. The more successful the sellers were, the more that they reported that buyers would come back to them; either via PPH or otherwise. One of the sellers worked only through PPH, whereas the others had more sources of work – via direct clients, other freelancing sites, employee income, etc. Five of the sellers saw PPH as a permanent feature in their business/ income stream going forward, even if this had not been the expectation at the outset. In some instances gaining repeat business from buyers appeared to be a key factor here. As one seller noted:

“I began having repeat business. I thought if I can make £50 per month it is worth doing. It stated off as a short-term thing and is now part of my life.”

This seller had four “stable clients” amongst a broader range of work, and dealt with two of them through PPH and two of them externally.

The sixth seller considered that he would use PPH less in the future as he was now in a position, having built up a portfolio and recent experience via PPH, to gain work and earn more money externally.

#### *2.2.4. Skills needs and development*

Users need to have at least a minimum level of IT skills to use PPH and subsequently may develop their skills base further as a result of using the platform. This sub-section discusses specific and generic skills needs and development issues, distinguishing between buyers and sellers as in former sub-sections, with a particular emphasis on sellers.

##### *Buyers*

The buyers considered that PPH was “easy to use” They did not have to develop technical skills to use the platform.

When asked directly about skills development, three of the five buyers interviewed reported that they had not developed their skills as a result of using PPH. Two of the five buyers interviewed acknowledged explicitly that they had honed their skills in writing specifications so as to make work attractive (as discussed further below). For example, Brian reported that through his buying activities on PPH he had learned transferable skills in “how to approach things”, in dealing with a range of people and in writing good job specifications. Likewise, Oliver said that through developing

his skills in writing specifications he had “learned how to restrict the number of bids and enhance the quality of bids”.

In terms of buyers’ views of sellers, Oliver also considered that using PPH offered sellers the opportunity to develop subject-specific skills. He noted that one of his sellers had obtained an employee job in the sector that the business was operating in as a result of developing subject-specific knowledge through researching and writing about the products that his business sold. Another had developed better writing skills. He said that other sellers had improved their generic research and writing skills as a result of working on jobs he had awarded them via PPH. Other buyers were less clear about whether use of PPH could enhance sellers’ skills. On reflection, Stephen acknowledged that use of PPH might provide sellers with skills development opportunities, but he was adamant that: “we are not looking for people who are honing their skills”, while Bernard indicated that sellers might learn how to present themselves better to potential buyer.

### *Sellers*

In comparison with the buyers, the sellers spoke at greater length about skills development issues and were able to identify skills that they had developed further through use of CSW. They considered that to be successful as a seller on PPH it was necessary to have a good set of skills at the outset, and that it was also necessary to have at least a threshold level of confidence and be able to manage client relations by email.<sup>17</sup> In general, the generic skills they identified as having developed further through using PPH included adaptability, flexibility, time management, focusing, acting and responding quickly to opportunities, pitching, marketing, customer relations, building networks and social media skills. As one seller explained:

“You do become adaptable and very fast at learning new skills. You take on new skills because people ask you to.”

In terms of specific skills the sellers interviewed spoke about broadening and deepening existing skill sets through greater experience and learning new skills. In particular, interviewees mentioned learning new software and learning different types of writing skills. For example, Robert had developed his time management and negotiation skills, and had expanded his technical skills, so enabling him to bid for a greater range of work. However, he had also learned to be more discerning about the value of his skills and when to bid, and when not to do so (as discussed in more detail below). Two of the sellers bidding for writing jobs had learned about search engine optimisation for blog writing because they needed to do so for particular jobs, and one had added writing press releases to their portfolio. A third seller engaged in writing jobs felt that experience on PPH had led to improvements in structuring of text and in writing skills for different audiences.

Generally, sellers considered that the skills they had developed from using PPH were of wider relevance in the labour market, and that references and experiences gained through PPH would help in getting an employee job, should they choose to pursue this route.

Use of PPH could also uncover latent skills and offer sellers the opportunity to develop such skills further. For example, one seller expanded their writing skills to include creative writing and discovered that they were very good at it and got a lot of satisfaction from it.

As noted by the buyers, the onus is on the seller to develop their skills (i.e. the costs of skills development are borne entirely by the individual, rather than by the employer or by the employer and the individual together). One of the sellers indicated that they had considered getting more formal academic qualifications but felt unable to contemplate doing because of not wanting to go into debt, and moreover it would necessarily impinge on working time and family time. However, this seller indicated that a short course of direct relevance to the services offered on PPH might be considered.

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<sup>17</sup> One of the sellers reported that having to “sell yourself by email” was challenging, particularly as previous experience had mainly involved speaking to the people on the phone.

Another seller felt that formal qualifications counted for more in CSW than in an employee environment. This particular seller had self-funded a postgraduate degree by distance learning that was of relevance to their particular job role. However, the existing employer took no account, either by changing/ increasing the individual's employee responsibilities or enhancing remuneration, of this extra qualification. Yet when bidding for work on PPH, and so interacting with new buyers, the seller felt that this postgraduate qualification was beneficial because buyers, seeking to establish a new relationship, took notice of it:

"I found in my freelance work it [the postgraduate qualification] really makes a difference. Buyers comment: '... we wanted someone at a high level and you tick all the boxes'. It did not carry a lot of weight when I was in my local employed position, [but] now I am in my virtual global position it does."

Two of the sellers engaging in writing projects on PPH indicated that they had previously undertaken jobs involving writing coursework/ assignments for students. They considered that buyers' use of their sellers' skills by proxy in this way was unethical; indeed, it is against PPH rules. Both felt that "quite a few people ask for essays to be written" and then pass it off as their own work, and that PPH needed to "do more" to stop such practices.

#### *2.2.5. Making work attractive*

For PPH to work effectively for users the work provided has to be attractive to all parties. This entails buyers making their specifications attractive to sellers, and sellers making their bids attractive to buyers. This sub-section considers the role of cost in making work attractive, and discusses what makes a good buyer and a good seller. Various issues discussed here are explored further in the following sub-sections on selection and quality issues.

At the outset it should be noted that cost is only one component in considerations of attractiveness. While a low cost may be attractive to buyers (holding all other factors constant), low costs are not attractive to sellers.

##### *Buyers*

Most of the buyers interviewed spoke about the importance of writing a clear specification. Such clarity was considered necessary to make the job attractive to the seller, while at the same time minimising post-award problems in clarifying requirements or having to deal with buyer-seller mismatches in expectations. David described how when initially he had used PPH he had put in a brief description of the job, but that he had learned from experience the importance of submitting a longer description. Oliver, Brian and Bernard also noted the importance of investment in getting the job specification clear at the outset. As Brian explained:

"I try and do an excellent job, so I try to be very specific as I need excellent work too. I don't like to change the specification."

Brian indicated his preference for using a guide price, as opposed to a fixed price,<sup>18</sup> in advertising jobs. Similarly, Bernard said that he worked very hard on clear specifications for projects to ensure that sellers can bid precisely for them, with a realistic budget. He reported that this made the specifications so attractive to sellers that "everyone hones in on them like a swarm of bees", necessitating jobs having to be "pulled" (i.e. closed) very quickly ("within 36 hours").

##### *Sellers*

Sellers endorsed the point made by buyers that clear and precise specifications were attractive. Some sellers bemoaned the quality of some buyers' specifications on PPH. One seller described the problems of poor specifications in the following terms:

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<sup>18</sup> As reported above, the current PPH funding model does not allow for a guide price but rather specifies a fixed price.

“I [as a buyer] could say ‘come and paint my house’ but you [the seller] don’t know how big it is – it could be a mansion. ... People ask you to do work with poor specifications. It is: ‘come and do this, what is your price?’. ... You get people diving in; if you don’t dive in you don’t get the job.”

For their part sellers needed to make themselves attractive to sellers by responding quickly to jobs, writing a good proposal and including relevant samples/ examples. The PPH website includes guidance for sellers in how to bid successfully for work<sup>19</sup>, and through forums/ blogs it is possible for sellers to provide each other with peer-to-peer support.

Sellers also emphasised the importance of developing and updating their profiles and storyboards so as to make themselves attractive to buyers. Generating experience on PPH (often for low returns at the outset) was seen as fundamental to becoming an attractive prospect as a PPH seller.

#### *2.2.6. Selection issues*

Closely related to the attractiveness issues outlined above are those of selection. This sub-section explores first, how, in practice, buyers select sellers and the criteria that they set in their assessment of sellers’ bids; and secondly, how sellers select what to bid for, and how this varies as their levels of success in winning work alters. Many buyers and sellers proceeded on the basis of trial and error at the outset, sometimes after looking at guides and blogs posted on the platform to provide assistance to users. In essence, the users are seeking a cost/quality trade-off, but precisely where this trade-off lies is likely to vary between users.

##### *Buyers*

In most, but not all, cases one of the challenges facing buyers in selecting sellers was the sheer number of responses (occasionally running into hundreds) received to jobs posted on PPH. Those who did not respond to the particularities of the specification were eliminated; (Bernard described this as getting “delete, delete, delete straightaway”). All buyers indicated that they did not necessarily go with the cheapest bid (as noted by Bernard, there is a “difference between price and value for money”) or the very first bids, albeit those who delayed their bids were unlikely to be successful, since, as noted by Stephen there is a tendency to go with “quick responders”, especially in the sector in which he operated.

Precise selection practices varied between buyers. For example:

- David outlined that in order to test the willingness of sellers to undertake the work and to ensure a match in seller-buyer expectations he would ask some likely candidates to submit a small piece of work free of charge. When he had selected a preferred seller he would then negotiate timescales for the work, in order that it fitted with timescales of that seller.<sup>20</sup> Similarly, Bernard indicated that his usual practice was to commission a pilot piece of work, before committing to a seller for the whole project.
- Brian indicated that once he received the sellers’ proposals he read the biographies and portfolios and also looked at the price: “It has to be affordable to me – I want a mark-up”. He outlined that he now takes more account of previous feedback than he did initially when selecting sellers, because he wants “to develop a professional relationship”. However, this did not mean he ignored ‘new starters’ on the grounds that “I’ve been there”. Recognising that “with new starters you can get good or bad experiences” he might not engage a new starter on the advertised job, but instead see if they are interested in undertaking a different smaller job, so as to try them out, with a view to “building a pool of people who

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<sup>19</sup> For example see <http://copywriting-apprentice.com/advice-to-copywriters-on-using-people-per-hour/> (accessed 28 July 2013) for guidance on copywriting jobs.

<sup>20</sup> In this particular instance, the work was rarely required immediately and most sellers were employees undertaking work on PPH to top up their income.

can be used in the future". He reported that he ignored "Indian firms" that responded quickly saying: 'we can do it'.

- Oliver provided an insightful perspective on cost on the basis of his initial experience with PPH. On a job divided into batches, he appointed six sellers at the outset to see what worked. Two of the sellers appointed submitted the lowest cost bids, a further two sellers submitted mid-range cost bids (i.e. £120-£140), and a final two submitted high cost bids (i.e. £300 and £400). The two sellers offering the lowest costs "pulled out" and did not do the work. The two mid-range cost sellers reluctantly undertook and completed the work, but proved expensive in management time. The two high cost bid sellers proved "excellent" and "good", respectively; one of these was engaged on repeat work. He has also honed his selection processes in other way to help ensure quality of bids, by stipulating that proposals from outside the UK would not be considered (on the grounds of the importance of sellers' having general knowledge about the UK in order to be able to perform the specified tasks to the standard expected) and that bids received within two hours of posting the specification would be ignored (on the basis that sellers would be unable to do insufficient research to write a good quality proposal in less than two hours).

### *Sellers*

All of the sellers interviewed had become more discerning about what they bid for as their experience of using PPH and their success in winning jobs increased. As Robert explained, "initially you go into it fairly cold"; while acknowledging that access to a global client base was a positive feature of PPH, it is a daunting prospect for new sellers to find themselves competing with people from around the world. Sellers frequently put in low bids at the outset for anything that they felt they were capable of doing. Nicola admitted that at the outset how she selected what to bid for and how to cost her proposals was a matter of "trial and error", albeit she felt it necessary to bid below the guide price to "build up a name". Likewise, Kath said that she submitted proposals for "lots of jobs to build up my profile" at the outset, but she also looked at what other users were offering "to get a sense of the marketplace". All sellers interviewed felt that it was necessary to not be too selective at the outset and to bid cheaply in order to win work and get reviews. Robert noted that his initial scattergun selection strategy was not sustainable in the longer term:

"I have learned not to chase work at all costs. Initially I was bidding too low – jut to get work. Initially I thought if it was the minimum wage at least I was getting experience. Over time I don't feel that anymore."

With more experience they tended to increase their costs also; indeed, two sellers commented that to do so was absolutely essential for those seeking to make a living from work on PPH. This meant not bidding for work where they considered that the price quoted for the work was too low. Sellers also highlighted that to some extent they selected what to bid for on the clarity of the specification provided by the buyer, and would submit for repeat business if the buyer had been helpful in responding to questions/ requests for information, etc. Few sellers mentioned specifically buyer ratings as guiding selection of what to bid for, but to some extent this is implicit in their desire for clear specifications.

On the basis of the interviews with sellers it seems that the most successful sellers on PPH (i.e. those who are rated most highly) move from a position where they have to select to bid for to a position where buyers select them. One seller explained that "being at the top of the stats [i.e. the PPH seller ratings] meant that "now 90% of the time people [buyers] come to me and say 'would you like to do this for us?'"'. Another also indicated that "people come and 'find you'" and that a reputation for good quality work and reliability meant that buyers were willing to pay more.

#### *2.2.7. Quality issues*

The feedback and rating described above lies at the heart of ensuring quality control. It serves as a guide for buyers and sellers. From the evidence of the case study interviews conducted, sellers tended to be more concerned about the rating system and its impact than were buyers. This may

reflect what some interviewees perceived as inequalities in the relationship between buyers and sellers using PPH, with buyers being in what one seller described as “a privileged position”.

### *Buyers*

As noted above, ensuring quality of services paid for is important for buyers. One seller noted:

“We have had some absolute rubbish and have refused to pay – sellers have immediately backed down.”

However, such problems were the exception, rather than the norm. Two of the buyers were either unaware or paid little attention to the ratings system. By contrast two buyers considered it important that they achieved and maintained high buyer ratings. One of these buyers admitted that rather than risk a poor buyer rating from a seller he would: “choose not to feedback on a mediocre job, so as not to get poor feedback on me as a buyer”, yet he always provided feedback on a job well done.

### *Sellers*

Only one of the six sellers interviewed displayed a lack of awareness of the PPH ratings system. The others considered it extremely important that they achieved and sustained good seller ratings, as they felt poor feedback could jeopardise their chances of obtaining future work. The case study seller interviewees who were otherwise very positive about their experiences of using PPH, sometimes were critical of the ratings system. As one interviewee responded when asked if that there was anything relating to PPH that they would like to change:

“I would like to change the feedback. What we do is creative [the seller undertook writing tasks] - and when people do not like it, it tends to be a matter of taste rather than of professionalism.”

Sellers were particularly concerned about the rating system’s power to adversely affect their work and income generation; one interviewee asserted that poor feedback “could destroy some people”. One seller, who had previously received mainly 5\* ratings, reported noticing the impact of a poor review, and raised the issue with PPH, noting:

“This is my livelihood so if anything affects my ratings on the site it could be a massive disaster. Reviews are not policed or checked before they go on.”

Another seller described taking on work, despite knowing it would be challenging, against their better judgement:

“I fell into the trap – and said I try and do it [the job] to the deadline and the quality [specified by the buyer], but I said that this might be a problem, because it was over and above what I was used to doing. I had to use different software from that I normally use. I did not like the results. I emailed him [the buyer] to say I would not be able to get the quality he wanted to the deadline; I suggested he would be better off getting a specialist in the software concerned. I refunded his deposit.”

The consequence of cancellation for the seller was an automatic 1\* rating. Up to that point the seller had received 5\* ratings, and felt cheated by this rating, especially since “I thought I was doing the right thing” and acting professionally by cancelling the job.

## *2.2.8. Experiences of and reflections on PPH*

The sub-sections above have provided insights into the experience of buyers and sellers using PPH. This sub-section presents some reflections and further insights into the experiences and views of users of PPH, with particular reference to sellers.

### *Buyers*

For buyers – who are mainly microbusinesses – CSW (and PPH specifically) offered access to a wider labour pool on a flexible basis and without the worries of compliance with employment

legislation relating to engaging employees, while maintaining control of costs. Some buyers said explicitly that their businesses would not have developed in the way that it had without PPH, and in at least one instance a business was planning to expand its product base internationally using PPH.

Some buyers raised concerns about the (overly) large numbers of bids they received for some jobs. One interviewee felt that PPH had “too many people looking for jobs” and that to work more effectively PPH needed “to get more jobs, or fewer people”. Another buyer was not concerned so much about the number of sellers, but about the number of buyers and seller who “do not know what they are doing”.

### *Sellers*

CSW (and PPH specifically) provided sellers with access to employment, either in a solely self-employed capacity, or alongside an employee role. Some sellers felt that their skills were recognised in new CSW relationships in a way that was not evident when working as an existing employee and that expansion of networks associated with working on PPH enhanced this process of greater skill recognition through new contacts. However, others – particularly those with technical skills – felt that their skills were under-valued in terms of the rates of pay that they could command on PPH. One interviewee reported that pay commanded on PPH was “always less” than could be generated privately. Another felt that it was possible to achieve the average annual wage working on PPH, but doubted that individuals used to high earning as employees could achieve the same income on PPH.

The extent to which a reasonable income could be derived by working on PPH was disputed, particularly given that sellers in the UK are competing against sellers in countries such as Pakistan, where “rates of living” are lower. Two interviewees selling technical skills were concerned about the possibility of some sellers using software illegally when performing assignments, so undercutting those who paid for licenses. A concern was also raised about some sellers using poorer quality open source software rather than specialist packages, so bringing “the price and quality down”. One seller asserted that some jobs posted were never awarded – so wasting the time and effort of sellers; the suggestion made was that some buyers used PPH (and other CSW platforms) “to get ideas for prices”. This led the seller to describe the situation of a “skewed marketplace” in the following terms:

“It’s like a chimpanzees’ tea party – you are going to get tea and cake all over you. It’s mucky. You are not fighting professionals. It is not a level playing field.”

For some individuals the achievement of work-life balance was of prime importance. One seller worked from an office set up in her bedroom at her home and reported: “I like being self-employed – it suits my home life” – enabling her to take a child to school, walk the dog and do “housey stuff”. She said that she did “things with the family but I might be sitting in front of the TV with my laptop writing articles”. A seller with a young child outlined how working from home via PPH meant that it was possible to “watch my baby” and not “miss anything” (i.e. milestones of first standing up, walking, etc). Another parent working from home had a separate office in her house, which was kept entirely separate from the family and family life:

“I say ‘I’m going to work’ at about 8 o’clock and I come back at about 6 o’clock. I used to have a computer in other rooms. Now I keep everything separate from them [the family]; I even turn off the phone.”

These different arrangements illustrate the variations in practice that working from home might involve, with some sellers maintain a strict physical separation of ‘work’ and ‘home’ life, and others letting the two merge together. But for all of these individuals, careful time management and realistic assessment when bidding for work of what could be achieved in what time period was essential for achievement of such balance, without undue stress. For those interviewed, this came with practice.



### 2.2.9. Implications for others and future prospects

Each interviewee was asked whether CSW (and PPH specifically) was suitable for other people and whether this way of working was likely to grow in the future.

There was near unanimity amongst interviewees about CSW being particularly suitable for performance of specific types of jobs for stay-at-home mothers/ parents and other individuals requiring or wanting to work from home. There was some dispute about whether CSW could provide employment opportunities for the young unemployed. One buyer considered that it could work quite well for the young unemployed “as long as they do not oversell themselves”. Another considered that it offered students the opportunity to build up experience and a portfolio with “real clients” as a potential shield against unemployment on completing their education. One interviewee mentioned CSW as being a way in which individuals could “keep on working in retirement”.

One seller considered that there was a role for sellers to work with the Public Employment Service in an advisory capacity to provide practical advice on freelancing and to promote CSW as a route to self-employment for those out of work and claiming benefits. While recognising that CSW might not be appropriate for all individuals on out-of-work benefits, this interviewee felt that exposure to what CSW could offer might help individuals to recognise their talents and enhance their motivation.

Nearly all interviewees considered that CSW would grow in the future as more tasks became computerised and more businesses recognised the ease and saw the benefits of sourcing labour in this way through worldwide connections. Both buyers and sellers commented on the positive feature of PPH in extending networks and brokering contacts between network members. The ‘flexibility’ afforded by CSW was regarded as a key facet helping to drive future growth. As Bernard explained:

“... you can work from home, you can work globally, you can work just in your specialist area, whatever hours you want and fit your life around it.”

A similar point about not being tied to a particular location was made by Kath: “I think it will grow fantastically because you can live anywhere in the world and do it.”

Some interviewees who had started as sellers became buyers (when they had not expected to do so at the outset) and some individuals who were predominantly sellers also engaged in occasional buying activity. This ‘hybridity’ is indicative of the potential for growth in CSW.

However, a contrary view to a continuing growth trajectory was forwarded by a seller who felt that as numbers of sellers increased it would become increasingly difficult for sellers to “break in”. This individual noted that if they were to start selling again, with the same knowledge possessed initially when first using PPH, the difficulty of getting over “the first hurdle” would be greater because “buyers are not going to search through millions and millions of pages”. The implication of this view is that beyond a certain threshold a platform can become so large, for both buyers and sellers, that advantages of CSW are “diluted” and so become less attractive.

## 2.3. Assessment of implications for employment and employability

This section presents an assessment of the implications of CSW for employment and employability, drawing on the experiences and insights of case study interviews with users of PPH. Six key implications are identified, which are of wider relevance beyond the particular case of PPH:

1. *CSW can be a route to employment* for individuals *if* they have IT skills to navigate CSW platforms and liaise with buyer *and* have skills to sell via such platforms. CSW may be ‘supplementary employment’ for employees/ those working already in a self-employed capacity and a route into employment for those not currently working when other routes seem ‘blocked’ (e.g. because of discrimination, when a worker needs to be based at home, etc).

2. *CSW can be a means of enhancing employability* for individuals already in employment and for those on out-of-work benefits – *if* they have (latent) skills to sell *and* are interested and committed to doing so. To be successful CSW sellers need to be proactive in seeking work, responsive to demands of buyers, and to have good organisational, time management and planning skills, self-discipline and communication skills (to liaise with buyers and pitch for work) are essential. Such *generic skills* are *transferable* to other employment (and non-employment) settings.
3. *CSW is probably not suitable for everyone*: individuals lacking the generic skills outlined above and those who are not comfortable working for a number of buyers at any one time, while also searching for new work, are unlikely to be successful operating in a freelance capacity, even if they have specialist specific skills.
4. *CSW may offer opportunities to build work experience* (with buyers as potential referees for future job applications), to *'brush up' existing skills through practice*, to *uncover latent skills*, and to develop *specialist skills* (albeit at the workers' expense) which may lead to other employment – including in sectors and in roles where individuals may have had no previous direct employment experience.
5. A *key feature* of CSW is *flexibility*. This suggests that flexibility is a tenet of *employability* also. CSW offers flexibility for sellers (if successful) to exercise some choice about how, when and what to work on. Those CSW sellers interviewed who became freelancers (even if through necessity rather than through positive choice) could not foresee giving up freelancing for an employee position. But sellers also have to be flexible to respond to employers' demands. This raises the question of 'whose flexibility (i.e. the buyer or the seller). The evidence suggests that sellers are on a continuum in this respect, with novice sellers (i.e. those entering the marketplace) having to be particularly responsive at the behest of buyers.
6. *CSW need not be associated with employment quality*. There is an issue of whether CSW is, at least in part, a *'race to the bottom'* in the face of global competition, albeit evidence from PPH suggests that buyers tend to go for "mid-range" as opposed to the "lowest" bids. If more work is undertaken in this way it is possible, indeed likely, to be at the detriment of workers' security and social protection,<sup>21</sup> albeit this may be more the case in some sectors than in others. This suggests that there may be a trade-off between quantity and quality.

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<sup>21</sup> The onus is on sellers to provide their own social protection/ insurance cover, and any arrangements made are likely to vary in accordance with individual and household circumstances.

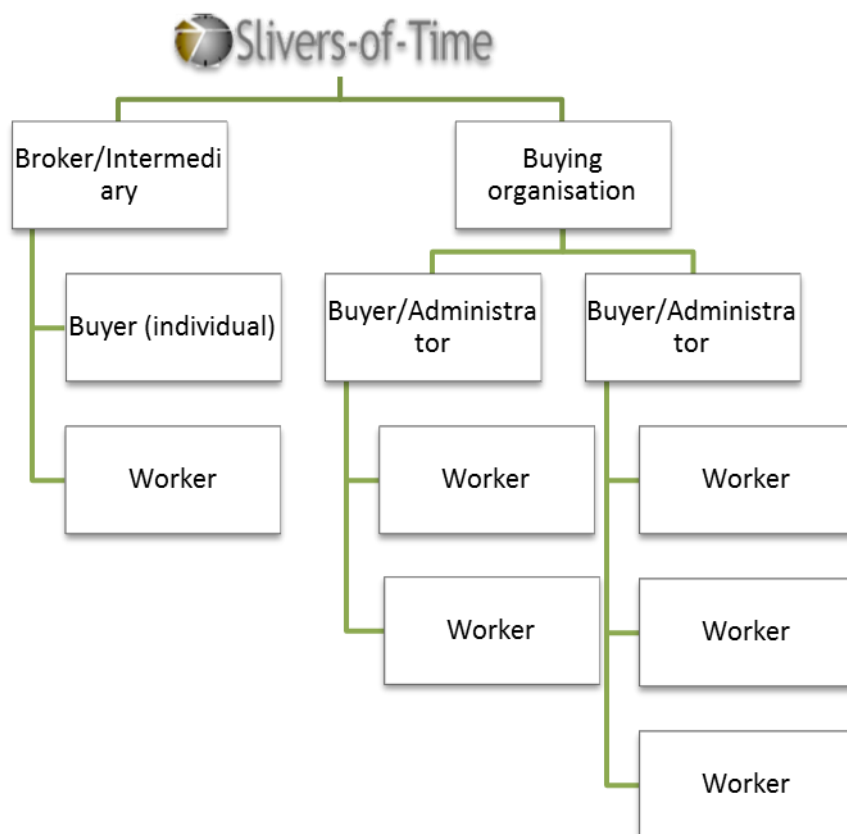
### 3. CSW CASE STUDY: SLIVERS OF TIME (UK)

#### 3.1. Introduction

##### 3.1.1. Description of the Slivers of Time platform

The Slivers of Time is a matching platform; an “online people booking system for paid workers and volunteers” (Slivers of Time website, 2013). It is operating in the public, private and voluntary sectors. Slivers of Time operates two business models: first, an organisation can purchase a licence for the platform for a year and have unlimited transactions; and second, an organisation can pay per transaction. Slivers of Time is a sophisticated “booking system for all forms of work” (Slivers of Time website, 2013) and is considered as “a warehouse of hours [...] where hours are the currency” (Representative, Slivers of Time). Individual buyers can seek out workers themselves on the platform or use a broker/intermediary (this can be either the agency or an advocate, such as a family member). Alternatively, a buying organisation can set up administrators who act as buyers and proactively seek out workers (paid and unpaid) from a work-ready workforce who meet their requirements. Equally, workers can find work (paid and unpaid) that fit their requirements. This is considered to be both efficient and cost effective for the buyer, and for the worker enables engagement in the labour market under their terms. It is not a bulletin board or request for a quote site. It can be defined as “a click, click, buy model” (Representative, Slivers of Time), therefore a buyer with a staffing need can log on to the platform, search and select a worker to fill the shortage.

**Figure 3.1: Slivers of Time operational model**



Unlike other CSW platforms, Slivers of Time does not create a market platform for buyers and workers where workers bid for work; rather it can be seen as a new staffing tool for outsourcing work and finding work (see Figure 3.1 for a representation of the Slivers of Time operation). In terms of its implementation it is a complex system. More information on the Slivers of Time

platform is available on their website at: <http://www.slivers.com/>. Currently, there is no information on the profile of the workers (paid and unpaid) using the Slivers of Time platform.

### *3.1.2. Methodological considerations*

The findings presented in the next section represent the experience and insights of five individuals who use the Slivers of Time platform to find paid and unpaid work, together with one who posts job opportunities acting as a part of a buying organisation and another who is a broker/intermediary using the platform. To gain a better understanding of how the platform was started, its development and operation, a representative of Slivers of Time was also interviewed. Published materials on the platform are used to supplement the analysis. An initial invitation to participant in the study was sent by ITPS. Once collaboration was agreed with IER, Slivers of Time provided IER with a list of potential interviewees for the study, all of whom agreed to be interviewed by telephone. The interviews focused on and discussed individual experiences of using the Slivers of Time platform and their engaged in this form of finding and organising work. The impact it had on their personal and professional life was also discussed. Due to the selection of interviewees by the buying organisation and the broker, no past users of the Slivers of Time platform were interviewed. It should be noted that it was not possible to interview individual buyers in the voluntary sector, as their details remained confidential to the broker/intermediary. Interviews were conducted by telephone using a semi-structured interview guide, which covered the following topics:

- *Buyers* (comprising broker and buying organisation representative) – motivations for using Slivers of Time; whether used, and experience of using, other CSW platforms; how services would be sourced if the Slivers of Time platform was not used; frequency of use of Slivers of Time; skills needed to use the platform and learning/skills acquired through use; learning and employment opportunities offered; examples of experiences of using Slivers of Time; overall assessment of the platform for the organisation; and likely future prospects for CSW.
- *Workers* – motivations for using the Slivers of Time platform and whether motivations changed over time; previous employment experience; experience of using the Slivers of Time platform; other (economic/non-economic) activities undertaken; work-life balance issues and other commitments; whether have used other CSW platforms and reasons for selecting Slivers of Time and/or other platforms; skills development/knowledge exchange; implications for employment and employability; development and use of social networks; overall assessment of the platform; and likely future prospects for CSW.

Interviews lasted between 18 and 40 minutes and were digitally recorded. Participants' consent was sought before each interview took place and they were reassured that their identities would be anonymised. Pseudonyms are used throughout the case study. Summary notes were made from each interview for analysis. Interview data were analysed using a matrix approach whereby interviewees' comments were classified according to emerging topics and then each topic was sub-analysed and developed into sections as presented next.

Presented below is an overview of the interviewees including demographic data, employment status, previous and current employment and engagement with the Slivers of Time platform.

**Table 3.1: Matrix of workers interviewed**

Pseudonym	Gender	Age range	Employment status	Current and previous employment	Engagement with Slivers of Time	How long they have been using Slivers of Time
Nora	female	60-65 years	Retired	Service sector	Main source of income, employed in similar positions to previous employment	1 -3 years
Kate	female	65 plus	Retired	Office and admin work, Education, Finance	Top up money, employed in different work to previous employment	1 -3 years
Yvonne	female	50-59 years	Employed part-time	Social care	Top up hours, employed in similar positions to previous employment	More than 3 years
William	male	60-65 years	Semi-retired	Managerial positions in the public and private sector	Main source of income, employed in a range of new positions	More than 3 years
Rebecca	female	60-65 years	Semi-retired	Service sector	Top up money, employed in different work to previous employment	1 -3 years

**Table 3.2: Matrix of buyers interviewed**

Pseudonym	Business and sector	Services bought using Slivers of Time	Frequency of use of Slivers of Time	Slivers of Time in place for...	Use of other CSW sites
Amanda (representative from buying organisation)	Public services	Delivery of public services	Frequent, only method of covering staff shortages	0-5 years	No
Sarah (broker/intermediary)	Social care, public and voluntary sector	Social care workers	Frequent, main method of organising volunteers	0-5 years	No

## 3.2. Development and operation of the Slivers of Time platform

### 3.2.1. Development of the Slivers of Time platform

The platform was developed in 2005 by the platform founders with a grant of £0.5 million from the UK Central government (the Office of the Deputy Prime Minister (ODPM), now known as the Department for Communities and Local Government) to create a platform for those able to engaging in some work in their local communities (Rowan, 2010<sup>22</sup>). It was part of the initiative to 'heal deprivation' by enabling people to find flexible work opportunities in their local community. Slivers of Time is now self-funding through commercial licencing, grants and funding from other sources.

At the time, little was known on the number of people who wanted to engage in work that fitted around their commitments (such as accommodating caring and family responsibilities) and circumstances (such as poor health). In 2005, Accenture was commissioned by the ODPM to estimate the number of unused workers before funding was released for the development of Slivers of Time. It was estimated that 13.7 million people in the UK were unable to work full-time and needed to work a few hours a week each year (Accenture, 2005<sup>23</sup>). This potential pool of labour was based on an estimation of the number of people who were not working (but actively seeking employment) or who were working under-capacity (part-time, temporary and casual workers, the self-employed) and therefore could engage in a few hours of work. This evidence was complemented with a survey of 500 Newham residents to assess whether there was an interest in this form of employment and who would be most likely to participate. At the time it was suggested that 68 per cent of those individuals' surveyed wanted to participate in the Slivers of Time way of working (Evans, Farenden-Smith and Nantogmah, 2006<sup>24</sup>). This research also reported that those most interested in this form of work were younger aged 16-24 years (ibid). This form of working is described as: "as hyper fluid, its can I work today? I don't know, I will decide after lunch" (Slivers of Time representative). It was based on the assumption that many people are unable to engage in full-time permanent employment due to their personal circumstances and commitments, so to engage in employment they need to be able to work round these commitments. These people can have complex childcare arrangements, medical conditions, caring responsibilities or need an additional income (or hours) as only have part-time work.

Since its development, the scope of the platform has broadened with the recognition that many people (not just those with complex needs and commitments) need and want to engage in "fragmented ways of working" (Slivers of Time representative). The Slivers of Time platform has also developed so that paid and unpaid opportunities are available on one platform (see section 3.2.5). The aim of the merge was to support individuals achieve full-time work and boost their employability. Research into the economic benefits of the Slivers of Time way of working includes: the production of a more flexible and productive labour force; higher levels of economic activity; less dependency on benefits; increases in local participation and female participation rates;

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<sup>22</sup> Rowan, W. (2010). *Could online marketplaces tackle poverty? JFR Viewpoint*. York: Joseph Rowntree Foundation. Retrieved from: <http://modernmarketsforall.com/wp-content/uploads/2013/05/tackling-poverty-online-summary.pdf>

<sup>23</sup> Accenture (2005). *NEMS. Scoping Slivers-of-Time Working*. London: Accenture. Retrieved from: [http://modernmarketsforall.com/wp-content/uploads/2013/05/ACCENTURE\\_-\\_Slivers\\_of\\_Time\\_market\\_scoping\\_report-1.pdf](http://modernmarketsforall.com/wp-content/uploads/2013/05/ACCENTURE_-_Slivers_of_Time_market_scoping_report-1.pdf)

<sup>24</sup> Evans, M., Farenden-Smith, L. and Nantogmah, D. (2006). *Research into the Potential Take Up of Slivers of Time Working*. Conducted on behalf of London Borough of Newham. London: School of Health and Social Sciences, Middlesex University. Retrieved from: [http://modernmarketsforall.com/wp-content/uploads/2013/05/Middlesex.University.Demand.For\\_.SliversofTime.Working.pdf](http://modernmarketsforall.com/wp-content/uploads/2013/05/Middlesex.University.Demand.For_.SliversofTime.Working.pdf)

prevention of the loss of soft workplace skills; the creation of a pathway to full-time employment; and a decrease in rates of social exclusion and burden on public services (OEF, 2006<sup>25</sup>).

Currently, there are nine members of the Slivers of Time team. The Slivers of Time database currently includes 65,000 workers of which an estimated few hundred engaged in paid work or volunteering on a particular day. The Slivers of Time platform operates across the UK working with a diverse range of organisations, agencies and charities, but will operate at the local level.

### 3.2.2. *How the platform operates for 'buyers' and 'workers'*

A buying organisation or broker/intermediary (known as 'buyers' for the purposes of this report) will purchase a licence for the Slivers of Time platform and will receive training and support in operating the platform<sup>26</sup>. One buyer talked about the process of setting up the platform and working with workers to introduce and train them on to use the platform. Sarah reported that: "It was a time consuming process for one person in the organisation". The platform is embedded within the organisation's website and operated from within it. The worker's relationship will be with the buying organisation or the broker/intermediary rather than Slivers of Time. Table 3.3 summarises the stakeholders and actors using the Slivers of Time platform, their relationships and their role in the process.

Workers<sup>27</sup> (both paid and unpaid) will then be recruited, vetted (i.e. legally able to work, CRB checked) trained (where necessary) and shown how to use the platform inputting their availability for up to 6 weeks at a time. This availability can be amended at any time, thus giving the individual worker control of their time hour by hour. For Slivers of Time, workers can be both paid and unpaid and in terms of commitment the unpaid workers or volunteers are similar to timebankers. The buyer (the buyer organisation or broker/intermediary) will complete the worker profile detailing their contact details, qualifications, skills, travel to work area, tax code and, if the platform allows, variable pricing can be set (this could increase if they are required to travel further or would be available at short notice). All work is recorded and declared for taxation purposes. The platform is able to construct individual pay rates dependent on the job offered and how far the worker would have to travel (i.e. if a worker has to take two buses to reach a destination then the pay rate can be increased to cover the extra travel cost). Therefore, the platform "enables you [the buyer] to create talent pools of vetted and approved people that are right for your organisation, right for your roles. Ahead of you needing them for an individual opportunity" (Slivers of Time website, 2013).

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<sup>25</sup> Oxford Economic Forecasting (OEF) (2006). *Slivers of Time: Making the Labour Market Work Better*. Oxford: Oxford Economic Forecasting. Retrieved from: <http://modernmarketsforall.com/wp-content/uploads/2013/05/OEF - Slivers of Time - Making the Labour Market work better.pdf>

<sup>26</sup> Costs of the licence are not publicly available.

<sup>27</sup> Workers can be unemployed, employed part-time or full-time, self-employed or freelancers.

**Table 3.3: Summary of the stakeholders and actors using the Slivers of Time platform**

Stakeholder/actor		Role
<b>Buyers</b>	Broker/intermediary	<ul style="list-style-type: none"> <li>• Installs the Slivers of Time platform and embeds within website</li> <li>• Vet workers and build a worker profile on the platform</li> <li>• Induct workers into the Slivers of Time platform</li> <li>• Broker any booking requests from individual buyers</li> <li>• Ensures worker profiles are up-to-date</li> <li>• Monitors platforms usage</li> <li>• Ensure a suitable pool of a labour is maintained</li> <li>• Organise training where required for workers</li> </ul>
	Buying organisation	<ul style="list-style-type: none"> <li>• Installs the Slivers of Time platform and embeds within website</li> <li>• Vet workers and build a worker profile on the platform</li> <li>• Induct workers into the Slivers of Time platform</li> <li>• Set up administrators on the platform to act as buyers</li> <li>• Monitors platforms usage</li> <li>• Ensure a suitable pool of a labour is maintained</li> <li>• Organise training where required for workers</li> </ul>
<b>Individual buyers</b>		<ul style="list-style-type: none"> <li>• Post a job, search and select suitable workers</li> <li>• Make a booking</li> <li>• Provide feedback on individual workers</li> <li>• Approve timesheets</li> </ul>
<b>Workers (paid and unpaid)</b>		<ul style="list-style-type: none"> <li>• Complete profile and confirm legally able to work and availability</li> <li>• Maintain an online diary of availability for 6 week periods</li> <li>• Respond to booking requests</li> <li>• Approve timesheets</li> </ul>

When a position needs filling a buyer is then able to search for available workers who meet their needs and selection criteria (such as time, duration of job, remuneration and location) and book them. This is one transaction. Buyers can search for workers who they have trained or hired previously, and look at the reliability scores. Workers can be scored on their reliability, punctuality and ability to undertake the work by buyers. The job (or booking) may be for one hour immediately to one day a week for the next month. Once a buyer has selected a worker, the worker is then notified by email or SMS text (dependent on their preferences inputted into the platform) of the job and can decide whether they wish to accept. The offer is only valid for a certain period. An acceptance or refusal code is sent by the worker back to the platform. Buyers are notified of the worker's decision and are able to search for another worker if the offer is not accepted. If the worker accepts the booking then they are sent information on the post and who to go to upon arrival. Each booking generates a timesheet which has to be approved by both the buyer and worker. The platform accommodates feedback from buyers, which contributes to the reliability monitors.

### 3.2.3. Type of work

Slivers of Time does not offer digital tasks, unlike many crowdsourcing for paid work platforms. The platform is able to support all types of work undertaken in the local area, some examples include administration, social care, retail, to roles in the food and drink sector. Work can be both paid and unpaid. It is unlike other platforms (such as PeoplePerHour) that offer remote working, because work is community based and local. The work offered through Slivers of Time varies greatly. Workers spoke of last minute employment opportunities lasting for a couple of hours to 6 days a week over a six-week period. Buyers usually booked small amounts of time. For instance, Amanda emphasised that: "It's [Slivers of Time] not about filling a vacancy for two months. It's very much



about covering small snippets of time". She reported that they often need people at very short notice, such as within a couple of hours. Sarah used the system to manage around 50 unpaid workers across the region.

### *3.2.4. Operation of the platform in local markets*

Setting up new markets can be challenging as they are "fragile [...] and you need a block of buying power to get it going and bring it through critical mass" (Representative, Slivers of Time). The Slivers of Time team analyses the market to determine where the buying power is; invariably it is the public sector. Local councils are "likely to put aside £3-5 million per year for contingent labour" (Representative, Slivers of Time). Although the platform and model would be advantageous to small and medium sized enterprises (SMEs), individually they do not have the buying power. However, the public sector has to deliver a range of public services, needs part-time casual workers to deliver those services. It also has an interest in supporting their local labour market, as well as enabling individuals to enter and engage in the local labour market. An analyses of the labour market not only entails determining interest by key stakeholders, but also determining whether local councils are have managed service agreements in place (such as a contract with an agency to supply labour), which means Slivers of Time could not be implemented. The public sector is seen as "a catalyst", which enables SMEs to then get involved (Representative, Slivers of Time).

### *3.2.5. Slivers of Time and volunteering work*

Initially, the platform dealt with and managed opportunities for paid work, but in 2009 volunteering opportunities were also offered. An umbrella system was developed and implemented, which received mixed reviews as discussed later.

Currently, the largest share of the Slivers of Time business is volunteering as it is the supplier of two Department of Health contracts. This share of the market is likely to expand in the future due to cut backs in social care provision, the increasing demand for social care help and the changes to the personalisation of services, where individuals will be buying the services they require at a particular time. Many charities (i.e. Age UK, Mencap) are responding to the cutbacks and trying to engage volunteers to take on these social care roles. The Slivers of Time platform has been specifically designed to support this form of working in the community.

The focus of the case study is crowdsourcing for paid work, but one buyer (a broker/intermediary) and one worker interviewed as part of the research were engaged in the volunteering part of the Slivers of Time platform. The buyer's experience and use of the platform for volunteering work has been incorporated in to the analysis, as she provided alternative and additional insights into the operation of the platform. The experiences of the worker engaged in volunteering were also included for similar reasons.

The Slivers of Time platform was found to operate very differently in the volunteering sector explored as part of this case study. The broker/intermediary running the system out of 50 workers only had two using the Slivers of Time platform as intended or should be. Sarah is optimistic that:

"as time goes on it will change [...] give it ten years, when the [workers] are more computer literate [...] some will even moan if a [booking] comes through on their mobile [...] I think that is our biggest problem as most of our clients are elderly we are not going to get the enthusiasm for it [Slivers of Time] that we would if they were younger".

Individual buyers were also reportedly not using the system. Sarah explained that it was the older age profile of both the buyers and workers that resulted in their reluctance to use the platform. Both lacking the IT skills and/or confidence to use the platform. All bookings from workers and buyers were inputted by a broker/intermediary. When an individual is assessed in terms of their needs by the broker/buyer, they are introduced to the online booking platform and asked if they will use it; "nine times out of ten they say no and it is difficult and means a lot more work for us" (Sarah). The platform is also shown to the volunteers (or workers) during their induction, but they are reluctant to input their availability with most preferring to pick up the phone. The

broker/intermediary has tried one-to-one training on the platform with workers/volunteers,, but it has not increased usage. However, the broker will still be using the platform over the longer term as it is considered a better way of working. They are also expanding their geographical coverage, which means the platform will be “even more useful” (Sarah). The aim will be to get new volunteers on board, which is expected to be easier as they are younger. Expansion of the service is a natural part of the organisation’s growth and not a consequence of the platform. Overall, they are very happy with the Slivers of Time and positive, that in time, more will take advantage of the online booking system.

### **3.3. Experience and insights of selected buyers and workers**

#### *3.3.1. Introduction to case study buyers and workers*

The findings in this section of the case study represent the experience and insights of seven users of the Slivers of Time platform in the UK: two buyers and five workers. Interviewees were given pseudonyms and these are used throughout the case study report:

- *Buyers* (2) – Amanda and Sarah;
- *Workers* (5) – Nora, Kate, Yvonne, William and Rebecca.

The findings are presented on a thematic basis.

#### *3.3.2. Motivations for engaging in CSW*

A range of motivations for engaging with crowdsourcing for paid work were evident from both workers and buyers. For workers, the variety of opportunities and new learning experiences available to them was important. Flexibility was also key to this form of work; the sophisticated way the Slivers of Time platform supports this flexibility is discussed in the next section. The interviewees presented as a mix of those engaged in this form of work to gain a supplementary income and others as the main source of income for their household. This form of work was not seen a part of a portfolio of activities, but a method in which to gain work (both paid and unpaid). All workers had a strong work ethic.

In terms of supply side, there is evidence to suggest that there is not a shortage of workers (both paid and unpaid) who want to work in this way. It was suggested that for people engaged in this form of work “it’s often not a desperate need, it’s a desire for a breadth of experience, variety, almost to prove yourself” (Representative, Slivers of Time). For instance, one retired worker expressed a desire to do something else or new, so for her engaging in this form of work provided a variety of opportunities. Although she was keen to try out new work experiences, she still wanted to be selective about which jobs she would accept:

“Before I retired I was in my last job for 15 years, so I am very keen to all varieties of work. The Slivers of Time work is a complete change as I’ve always been in administration or finance. I’ve been offered survey work, but it’s not me [...] not what I want to do. I wouldn’t want to be working in a restaurant or behind a shop counter.” (Kate)

For William, the variety of opportunities available through this form of work enabled him to meet new people, stating: “I enjoy the contact with people, different people.” Rebecca also spoke of how she liked meeting new people, and gave this as one of her reasons for wishing to continue working with Slivers of Time. The development of social networks seemed to be an important aspect of working for those interviewed.

When asked why people engage with crowdsourcing for paid work, the representative from Slivers of Time suggested “it is an appealing way of working for many people” as many have limited and variably availability, which does not suit the main method of working 9am-5pm. This was evidenced in the interviews. One worker, Kate, had registered with a temping agency and tried that approach to work, but it had been unsuccessful. Although Kate is retired, she is employed to do another job from home, which can take all of her time for one or two weeks at a time and during the summer it is particularly busy. Kate said:

"I like Slivers of Time as it fits in well with my other commitments, which is why it works so well for me. If I am doing [other job] I can't do anything else, so I couldn't get a job anywhere else. I could not very well say to an employer I can't work that week or that week".

Kate had explored other forms of work, but nothing else fitted. For her, Slivers of Time was "the best of both worlds".

Due to the ease of use and the flexibility of the system, all of the workers were keen to continue this way of working past retirement, and those beyond retirement age liked the extra income they earned, stating:

"It tops up my pension, which doesn't go far. I love doing [home-based job], but it only pays £6 per day. So, the [Slivers of Time] work gives me a bit more money and it fits around the [other job]" (Kate).

For many workers, the pay was not commensurate with pay from their previous jobs. Half of the paid workers reported that money earned through Slivers of Time was just a supplement. For example, William, who did not earn money from any other source, said: "It's pocket money. That's all I wanted". Rebecca said that financially she was ok, so also spoke of the Slivers of Time earnings as "topping up" her income. There was much evidence from both buyers and workers that people could earn a 'good income' from the work. This was evidence by some workers engaging in 40 hours of work a week. Some workers interviewed said that their work with Slivers of Time was their main source of income. Nora saying: "I couldn't afford not to do anything".

All the workers demonstrated a strong work ethic and all were keen to work despite it not being their main source of income. For instance, William said: "If there is work available, I will work. I'm not afraid of work. I've always had to work". One worker, despite stating that she would only work up to the tax threshold, did not want to let people down. For Nora, the downside of the system was that:

"Once you have committed yourself or I feel that once you have committed yourself to working certain days that you the have commit yourself. You can't then, if a friend rings and want to go out for coffee I feel you then couldn't do that because you would be letting people down. I am sure there are people that do that, but personally I don't do that [...] so it's a bit tying in some ways".

She was also very determined in her commitment to doing a good job: "if I'm doing a job I've got to do it a hundred per cent". Rebecca also spoke about her feelings of responsibility: "Yes, it's part-time and it's temporary, but once you've said you will be available you should be available." The strong work ethic of those engaged in this form of work may illustrate why it is successful.

Interestingly for the buyers interviewed, adopting this approach to working was not about cost efficiency, but more about ensuring their services were delivered and giving people the opportunity to work and gain experience in their sector. Amanda's experience of people attending the induction (this included an introduction to the organisation and the different jobs and tasks available) and using Slivers of Time was of people that faced multiple barriers to employment. For Amanda's organisation, this method of working was not only able ensuring good staffing levels in their branches (approximately 40 across the city), but more importantly, for them, provided a benefit to the people they employed. For instance, Amanda said:

"It seemed like an excellent way of not only encouraging people to get some experience of working in [sector] when they could apply at a later stage, so a bit of a double-edged experience, but it also would also give us a pool of staff that we could call upon to work in our [branches] when we had staff shortages due to holidays and sickness."

Amanda spoke of how people who had worked for them through Slivers of Time were notified or any vacancies and some people did apply. There was a suggestion that people gained some employability as "you can't beat experience can you really". However, she thought that many did

not want or were unable to apply for a full-time position. Also for Amanda, the flexibility of this approach to working was considered “excellent”. Sarah said: “It was a better way of working”. Both buyers spoke about how they tried other methods of resourcing labour before the implementation of Slivers of Time, suggesting that it was a difficult and time-consuming process. In comparison, it was not considered a successful approach. The online booking was a significant improvement for both buyers reaching a wide audience of potential workers than their previous methods of recruitment. As Amanda said: “they had better advertising”. Overall, motivations for engaging in CSW for buyers were focused on effectiveness and efficiency of delivering services.

### *3.3.3. Experiences of using Slivers of Time*

All the buyers interviewed had had positive experiences of using the Slivers of Time platform, but none had used or tested other platforms, or engaged in this way of working before. Workers were also questioned about why they used the Slivers of Time platform and whether they had tried other platforms or ways of working. None of the workers interviewed had considered, or were unaware of, other platforms. One worker said she would not know how to find work if she did not use the Slivers of Time platform, but she was only confident doing one type of job (Nora). Both buyers and workers reported to like using the Slivers of Time platform. However, one worker noted that, “when the new ‘umbrella’ system started it was chaos with wrong codes and the wrong amounts being taken off wages” (William). Although, it had reportedly taken a significant amount of time to embed the new system and ensure it functioned correctly, two workers considered it more difficult to use.

All the workers reported to use the Slivers of Time platform on a weekly basis, managing their online diaries and availability. There were no expectations from workers of employment on a daily basis. All the workers said that this form of work was part of their medium to longer-term plans. This was evidenced by the fact that many are over retirement age. Even William, soon to be reaching retirement age, also reported that he wanted to continue working with Slivers of Time, but would probably do less work.

All workers agreed that the platform was easy to use to some degree and had received training on the platform when signed up with the buyer. One worker reported that she was “quite satisfied” with the platform (Kate). When she was introduced to Slivers of Time in summer 2012, Kate said she was “very taken with it”, so this is why she used Slivers of Time. For her, managing her online diary gave her the flexibility, so if her circumstances changed she was able to change her availability. Her other job picked up in the summer, so her availability was reduced. William and Rebecca both used the same phrase when asked why they used Slivers of Time: “it suits me”.

Many workers commented on the online diary in the Slivers of Time platform and the flexibility and convenience it offered. Workers like being able to manage their own time and change their availability depending on their circumstances. One, William, reported that he is unable to work during the summer due to his personal circumstances, so for him this form of employment allows him to work during the winter and not the summer without a penalty. He said: “It’s the flexibility that works for me. I can work 10 hours per week, the hours vary, or 6 days per week”. Nora also said the convenience was important for her, such as being able to say “I’m available these days and not these days.” Similarly, Yvonne who had worked in social care work was engaged in both part-time paid work (six hours per week) and volunteering. She uses the Slivers of Time platform to manage her volunteering of around 15-20 hours per week, as she likes the flexibility of the online diary. She said: “Flexibility is key. It [Slivers of Time] works very well for me. No complaints here”.

For two workers, using the Slivers of Time platform was a necessity. William retired early from his position, but he was required to return for 6 months when they were unable to fill the vacancy. His former employer used an agency with the Slivers of Time platform implemented, so he had to apply to the agency for the position. After 6 months, he remained with the agency as the flexibility offered by Slivers of Time was appealing. Nora who wanted to continue doing the same work before being made redundant knew that the Slivers of Time was used, so registered to ensure she could get similar work.

For one buyer, the Slivers of Time platform had received backing from the local council who wanted to use this method of working to fulfil their resourcing needs in the delivery of local public services where a casual workforce is required. Amanda was effusive about the benefits of using the Slivers of Time platform and how it enabled services to be delivered using a time efficient process. Similar to the workers, Amanda talked about the flexibility and ease of the platform for fulfilling their needs:

“We are often open seven days a week and eight o’clock at night, so ensures that we have enough people, enough cover for front-line services [...] so it was about being able to have that flexibility to have a panel of staff that we could call upon who would be able to come in [...] we liked the idea of the online calendar as it was very easily accessible and a quick way of getting hold of people, which is excellent for the front-line managers who were obviously struggling to staff places. They were almost running [branches] themselves whilst they were trying to get someone to come in to cover. So, being able to book someone in, say for three hours on a Sunday, was a very streamlined way of being able to operate that process for us.”

The experiences, overall, of buyers and workers using the Slivers of Time platform was positive. The upgraded platform had not been well received by some of the workers, as it was thought to be more complicated. There had also been technical issues with the calculation of workers’ wages, which had been frustrating for both workers and buyers.

#### *3.3.4. Skills needs and development*

To operate the Slivers of Time platform, workers need some basic IT skills and access to the internet through a PC or other device. All the workers interviewed had received training on how to use the platform and manage their online diaries. All reported to be confident in their IT skills. One example was reported in which a buying organisation received government funding to train and induct potential workers to the Slivers of Time platform. For many, this training introduced them to some basic IT skills, developing their confidence in using IT and accessing the internet.

Workers were also asked about any training they had received on using the platform as part of the Slivers of Time workforce, together with their experience of learning and skills development since their engagement with crowdsourcing for paid work. The most common training offered was induction training (such as an introduction to the organisation and skills relevant to the current job). For example, one organisation would, every so often, run a one day induction course for around 20-30 people registered on the Slivers of Time platform and interested in working in the sector to increase the pool of potential workers. The aim of the induction is to give workers:

“Some time to look at what we do. It’s a very brief introduction, but at least it gives them some awareness of what we are about as a service and the types of things they could be asked when they come in” (Amanda).

In a different sector, one worker said:

“I enjoyed the training offered by [employer]. It was not like anything I had done before and it is a very complex system [...] they couldn’t teach me everything as it is a changeable environment, so I often have to pick it up when I get there [...] I still find that if I haven’t done it for a while, I’m a bit rusty” (Kate).

Some buyers offer workers induction training so that they become part of the approved workers list. The representative from Slivers of Time suggested that buyers have also been known to offer preferred workers higher levels of training so they are more desirable to the organisation. No evidence was found from the interviewers with buyers or workers.

The majority of the workers spoke of their on-the-job training and having to pick up skills and learn quickly. All of the workers seemed to enjoy this element of the work. For instance, Rebecca said: “I like learning new things. It keeps the old brain going”. One buyer stressed the importance of on-

the-job training, but also reported that workers received support whilst undertaking their role with another member of staff or the manager.

Only one worker, Nora, reported that she had not really developed any new skills. She was mainly in the same role as she had been before she retired and, for her, it was “work I’m used to [...] I’m confident what I’m doing so I’m happy doing that” (Nora). However, Nora did speak about her experience of undertaking survey work, which had been a completely new experience for her. It had been difficult for her, but she had mastered it. Most of the work Nora had been engaged with through Slivers of Time used her skills and past work experience, but when asked if she would like to do something new or different she said: “if something came along and I was fairly confident I can do it then I would do it”. However, Nora has a strong work ethic, so her confidence was linked with her desire to do a good job. For instance:

“I’m only sort of trained in one job and to me, if you are doing a job then you have to, I feel, do a hundred per cent. So if I went to do a new job, I wouldn’t be doing it a hundred per cent, although I would be trained and because [...] usually the jobs are only short-term. Well, for me I don’t want to commit myself to anything long term. So, if I got something new I’d have to sort of learn, for me, it fairly quickly because I like to put a hundred per cent in and knowing that I was only there for a week, sometimes it can take you longer than that to learn a job” (Nora).

As a volunteer, Yvonne said that although she was well experienced in social care (with over 10 years working in the sector), she was still learning every day and had to be adaptable as every client was different with different needs:

“You obviously treat them with respect, but you treat them differently as they all come in a different package. You have to adapt to them really on how they want to see you, but you always go in with a smile”.

She works with up to nine clients a week providing respite for full-time carers. For her, she liked the variety of people and not only enjoyed this, but she said:

“I get an immense amount of satisfaction knowing that I am helping someone [...] it is very rewarding work [...] since doing this [social work] I haven’t looked back” (Yvonne).

Yvonne had worked in other sectors, but spoke of the “lack of job satisfaction”. As she was financially independent, Yvonne is able to engage in the social care work on a paid and unpaid basis.

The voluntary organisation using Slivers of Time platform was also found to provide a range of training and learning events to support their paid and voluntary workforce. These included day courses, taster sessions and practical training. It also organised social events for workers to attend in the evenings. These events had been positively received and were considered useful not only for networking, but also for sharing experiences. Events were often organised around a guest speaker, or some new information and training that had been delivered. Yvonne said that she really enjoyed the evenings, because it was nice to catch up with others working in the same job and to meet new people. The organisation also offers online training.

Both buyers had strong opinions that workers were able to boost their employability by engaging with this form of work. It was seen as an opportunity that let people “have a go” (Amanda). This was seen as a consequence of being able to try out different types of work, gain interview experience, learn and develop new skills, interact with people and gain a variety of work experiences.

### *3.3.5. Reliability scores and quality issues*

The Slivers of Time platform operates a rating system to promote and ensure quality of its workers. When a new market is created all workers have unproven or untried reliability. The platform monitors a range of indicators, such as timeliness of response, non-response, notice required to

accept a job and feedback from buyers. Workers have to have a track record to prove reliability. Those that have proven reliability “are an appealing prospect for an employer” (Amanda). It is the agency that sets what equates to poor reliability (for instance, five non-responses could result in a reduced reliability score).

Workers were aware of their reliability score and all reported high rates (this may be a result of those volunteering for the interviews). Most were very casual about their scores, not placing any emphasis to it. For these workers, it was about being a good worker; being punctual and not letting people down. For instance, Nora said: “Yeah, I have a good rating, its 100 per cent. But I had to work hard to build a reputation”. Another explained:

“I think I am at the highest level of reliability [...] I don’t like letting people down. There is only once where I have not turned up on time and that was because there was two feet of snow [...] I got through eventually” (William).

These demonstrate the strong work ethic of people engaged in this form of work.

For buyers, the reliability score for each individual gave them some assurance about the individual they were booking. Both buyers interviewed reported that there had been very few instances where someone had not turned up for a booking; their experiences had been positive. They also understood the importance of providing positive feedback to their workers (both paid and unpaid). Neither suggested that there was high turnover of workers as they were able to book individuals they had trained and employed before. Amanda said that the number of people in their pool (i.e. inducted people) can fluctuate due to people finding employment, but it had not been a problem in terms of fulfilling their needs. The numbers in the pool are reviewed regularly to determine whether another induction day is required. This gives them a bigger pool of workers to draw upon. However, one buyer stated that they did not use people on a regular basis or the same people, because they wanted to give lots of people the opportunity. So, it suggests the importance of maintaining a diverse pool of staff.

### *3.3.6. Implications for others and future prospects*

In terms of the Slivers of Time platform, it has the capacity to expand across the UK and Europe; it is scaleable. Within the current Slivers of Time team, resourcing would be challenge to expansion, but the enthusiasm was clear from the Slivers of Time representative. The team are currently exploring how the system could be used to support the changes to the benefit system in England to be introduced in October 2013. It was also noted that “growth is dependent on the rate at which you can unlock the demand” (Representative, Slivers of Time). This strongly suggests that this is great potential not only for the Slivers of Time platform, but also this approach to working. It could be argued that employing people for short periods of time on an infrequent basis it comparable to that of a temp agency. However, this approach gives all those involved greater flexibility and control of availability and available posts.

## **3.4. Assessment of the impact on employment and employability**

Slivers of Time is a complex system to implement as it needs a market where there is strong demand. It is often difficult to identify these markets. It is a sophisticated platform, but users (including workers, buying organisations and brokers/intermediaries) do not have to have advanced IT skills to operate and use. There was much evidence that all involved in the platform liked the flexibility the platform provided alongside the concept of its operation. Notably, there was evidence that the platform has been rejected by older users (both workers and individual buyers) and some discontent when the platform was recently altered. This was particularly evident in the social care volunteering sector, but the platform was successful in the sector when bookings were made by the broker/intermediary organisation, who did not wish to operate without it.

The analysis of the experiences and insights of buyers and workers, allows the impact of these experiences on employment and employability to be assessed. The aim of the Slivers of Time platform is not to offer full-time employment opportunities (although there are examples of

individuals working six days a week for a month), but to enable opportunities for employment, develop skills and boost employability. It is a method of enabling casual workers to engage in the labour market on a paid or unpaid basis supported by IT. Buyers expressed enabling people to 'test out' work in a particular job, gain necessary work experience and skills, and also be in a good position to apply for permanent jobs that may become available. Although, due to the selection of interviewees, there were no examples of this in practice from workers, one buyer had known this to happen. Therefore, suggesting that this form of working could give some an advantage, enhance their employment prospects and/or their employability. There was no mention of workers hoping to gain full-time employment. Rather workers were engaged in this form of employment for personal and monetary reasons, such as fitting with other commitments and their personal circumstances.

In terms of enhancing employability, engagement in this form of work leads to individuals becoming included in the labour market. To ensure a trained pool of labour is available, buyers are providing training and learning opportunities. Individuals are able to learn (and develop) new skills, plus develop specialist and generic skills, which may lead to other employment opportunities. For some individuals, they had the opportunity to undertake a variety of, and sometimes challenging, work. Simply by engaging in this form of employment, individuals are becoming more adaptable as they have to be: flexible in their availability; responsive to employer demands; able to manage and acclimatise to new situations; learn on-the-job; and rapidly become competent. These experiences and opportunities help boost individual employability.

With only a small selection of workers engaged in this form of work interviewed, it is difficult to draw substantive conclusions. All the workers interviewed would be engaged in the labour market in some way, but for most this would be on a part-time casual basis. This form of employment gave them control of their engagement in the labour market, resulting in a committed and reliable workforce. The Slivers of Time workers all had a strong work ethic with a strong sense of responsibility to not only work, but to do this to the best of their ability.



## 4. CSF CASE STUDY: PLEASEFUND.US (UK)

### 4.1. Introduction

This section provides insight into the impact of running a crowdfunding campaign by looking at users of PleaseFund.US. In this case, by users we refer to fundraisers rather than to individuals providing support through pledging money toward projects hosted in the platform. This introductory section (section 4.1) provides a description of PleaseFund.US and discusses methodological issues in the preparation of this case study. Section 4.2 presents fundraisers' insights and experiences as evidenced through conversations with ten fundraisers and members of the platform team. These experiences are presented in subsections that narrate the chronology of events that take place as fundraisers develop and run a crowdfunding campaign. This narrative provides insight into those issues which were of particular concern to fundraisers and into the impact of running a campaign. A summary of some of the main findings in relation to this case study is presented in section 4.3. This exploratory case study provides some rich descriptions of the experiences of individuals running a reward-based crowdfunding campaign and a basis for developing future research approaches to internet-enabled exchanges.

#### 4.1.1. *Description of the platform*

PleaseFund.US is an international crowdfunding platform based in the UK through which money can be raised for "any ideas, causes or charities" (see <http://www.pleasefund.us/> for further details<sup>28</sup>). The platform is a space where people can showcase their projects to the online community and invite other people to pledge money to make it happen. This platform was created by James Bailey and Tarkan Ahmet in 2011 as a result of ideas they had been developing for several months and a vision to create a global platform that would work well in the UK context. PleaseFund.US have their offices in London and technical aspect of the site is covered from Santa Barbara, Ca.

Being an 'all or nothing' platform, PleaseFund.US fundraisers will receive the money pledged only if their campaign achieves its target amount. If this is not the case, all the money will be returned without any fees or any costs for fundraisers or backers. If a project reaches its funding target, a flat fee of five per cent of the money raised will be charged. In addition to this, there will be other fees charged by the payment processor; these fees can take up to a further 3.5 per cent of the total amount raised. The platform website explains these fees and invites fundraisers to factor into their target amount the money that would be deducted if their campaign were successful.

PleaseFund.US projects are classified in the categories shown in Table 4.1. This table also provides a crude indication of the number and proportion of projects in each category. Some examples of projects featured in this platform are presented in Annex 4.1, together with illustrations of the rewards offered.

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<sup>28</sup> PleaseFund.US is now known as ZEQUUS and from September 2013 all PleaseFund.US URL's are re-directed to ZEQUUS.com. The platform has made some changes in the way campaigns are run and is now free in that no commission is charged.

**Table 4.1: Projects hosted in PleaseFund.Uk**

Category	No. of projects	Per cent	Category	No. of projects	Per cent
Art	68	11%	Food	24	4%
Business	65	10%	Games	29	5%
Charity	20	3%	Music	46	7%
Comics	9	1%	Photography	24	4%
Dance	25	4%	Sport	17	3%
Design	36	6%	Technology	57	9%
Fashion	20	3%	Theatre	52	8%
Film & Video	104	16%	Writing & Publishing	46	7%

Source: PleaseFund.Uk (Note: This table is indicative and includes current and past projects as published on <http://www.pleasefund.us/projects/> on 09/09/2013. Some projects may be included in more than one category.)

One of the features that distinguish PleaseFund.Uk is the relationship they seek to establish with their users. To this end they encourage project owners to get in touch by phone or email with a team member and also provide one-to-one support throughout the campaign. Besides a focus on providing personalised support, they organise and participate in clinics and workshops to share information and advice on crowdfunding with the community of users.

PleaseFund.Uk can host international projects with the only requisite being that a bank account that can be linked to a PayPal account is available. Funders can make one-off payments using any credit or debit card and there is no need for them to have a PayPal account. There are no other restrictions as to where projects are based or where the funding comes from.

PleaseFund.Uk was chosen as a case study because of its potential to provide insight into the impact of reward-based crowdfunding platforms on employment and employability. This potential was estimated based on a review of the projects hosted by the platform. Moreover, the platform hosts projects in a range of areas including art, business, charitable and technology projects. This provides, from the point of view of the research, the opportunity to investigate how fundraisers experiences running a crowdfunding campaign impact directly or indirectly on their professional and personal development.

#### *4.1.2. Methodological considerations*

The findings presented in the next section represent the experience and insights of ten individuals who had hosted at least one crowdfunding campaign in PleaseFund.Uk between the inception of the platform in September 2011 and May 2013. The IER research team approached PleaseFund.Uk in this latter date to invite them to participate in the study. Once collaboration was agreed, PleaseFund.Uk provided IER with a list of 15 potential candidates for the study. As requested by IER, the candidates were selected purposefully to reflect some of the diversity of users of PleaseFund.Uk, albeit these interviewees would not be regarded as representative. Of these, ten agreed to take part in telephone interviews to discuss their experiences using crowdfunding and the impact it had on their personal and professional life<sup>29</sup>. In addition to this, an interview was

<sup>29</sup> In this case study all interviews were conducted with fundraisers. From the point of the CrowdEmploy study, their experiences in using the platform are central to answering questions about employment and employability. Conversely, the experiences of backers (those supporting projects by making pledges in

conducted with one of the founders of the platform and another interview was conducted with a fundraiser using a non-UK, reward-based crowdfunding platform.

Interviews lasted between 28 and 50 minutes and were tape recorded; field notes were made for data analysis purposes. Participant consent was sought before each interview took place and interviewees were reassured that their identities would be anonymised. The following pseudonyms were given to participants and their names are used throughout the next section which is based on their experiences as discussed during the interviews: Charlie, Diana, Edgar, Felicity, Gary, Holly, Isabella, Jonah, Kieran and Laura. Interviews followed a semi-structured format covering the following topics:

Background and how they came across crowdfunding, how the project was conceived, expectations and motivation to use PleaseFund.Uk, strategies for engaging backers and gathering support, continuing to use crowdfunding, perceived challenges and opportunities in using internet-enabled exchanges, skills acquired and useful experiences, implications for employment and employability.

The following table summarises the demographic information of the interviewees. As can be seen, the average age of participants was 36.4 (with a standard deviation of 7.1) and the types of projects involved included hard outputs such as books, a music record and a film, as well as events and an online game. Eight of the ten fundraisers interviewed were able to reach their target amount. In relation to level of education, eight of the ten fundraisers had a higher education degree. As said, the sample cannot be seen as representative; given the profile of the majority of the participants, it is more a reflection of the experiences of more engaged/successful fundraisers.

**Table 4.2: Summary of interviewees' demographic information**

Ages and nationality of participants	Types of projects	No. of funded projects and target amount	Level of education (of fundraisers)
Ages: 24, 28, 33, 36, 37, 37, 39, 40, 40, 50 Average age: 36.4 Standard deviation 7.1 Nationality: all British	Book x 2 Business travel Community project x2 Conference Film Music record Online game Theatre play	Funded projects: 8 Unfunded projects: 2*  Target amounts (rounded): £1,000, £3,000, £3,500, £4,000, £5,000, £5,000, £5,000, £5,000, £10,000, £130,000 *Unfunded projects had highest target amounts	Fundraisers with higher education degrees or above: 9/10

In the interest of preserving participants' anonymity, it is not possible to give further details of each of the projects involved. Although this information could be of interest, it is not considered essential in presenting participants' experiences and insights regarding the use of PleaseFund.Uk and its potential relation to employability. It is possible to get an idea of the types of projects and the amounts requested by looking at the information publicly available on the PleaseFund.Uk website.

The interviews discussed here are the main source of information for the results presented in the next section. Interviews were analysed using a matrix approach whereby interviewees' comments were classified according to emerging topics and then each topic was sub-analysed and developed into sections as presented next.

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exchange for a reward) were not seen as central to the study given their limited involvement in running the campaign.

## 4.2. Experience and insights of fundraisers

This section presents insights from the point of view of individuals who took part in the PleaseFund.Us case study. The section is organised in a chronological way, presenting crowdfunding as a process which starts with someone's idea for a project or cause. The process could be cyclical if fundraisers continue running further campaigns. A summary of key messages is provided at the end of each subsection.

### 4.2.1. *The onset of the crowdfunding project*

Running a crowdfunding campaign is a consequence of a bigger project rather than the cause. In other words, people have projects, ideas, aspirations, etc., and in thinking how to make these possible they might find that crowdfunding is a useful resource. As Isabella mentioned: "Even when I heard of crowdfunding for the first time, I thought what would I use it for? It was not until we had the project that we thought it could be useful." Moreover, people may find that crowdfunding is a useful resource for a specific part of a project rather than a solution to all its needs.

Crowdfunding projects are thus developed before the crowdfunding campaign and their owners have invested time and other resources in them. Although they are shaped into a crowdfunding project they are not necessarily created for this purpose. A fundraiser suggested that his project "was supposed to be just his graduation piece with no commercial aim, just an arts project". But as he continued working on it, it became a much bigger project "of megalomaniac proportions". It was only after this that he was persuaded to use an online platform to seek funding from his online community to continue developing his work. In this way, rather than developing a 'crowdfunding project' per se, people seek funding for projects, activities or ideas that exist independently of the platform and the services it offers.

Fundraisers understand that running a crowdfunding campaign is not only about the money. The money is an important aspect to it as in areas such as the arts funding is difficult to obtain, particularly in the current economic times. However, running a crowdfunding campaign can also be a way of accessing other resources such as social networks or marketing. As it was mentioned: "As well as being a way of getting the money it is also a very good marketing tool, a very good way of getting the word out." This effect of crowdfunding will be discussed below.

A crowdfunding project starts to be developed as such once the person learns about crowdfunding and starts seeing the possibilities it offers as an outlet for their projects or ideas. For example, Diana learnt about crowdfunding when she was sent her a link to project similar to hers that was being crowdfunded and that set her off thinking about her own campaign. Laura, another fundraiser, told someone about her project in passing and they suggested she used crowdfunding. She "had no idea what that was and then searched the internet and found this company, PleaseFund.Us, and thought, 'this is pretty simple to set, actually'".

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Key messages:	Crowdfunding fundraisers can be seen as individuals who have a well-developed project, cause or idea which they want to make happen.
	Fundraisers are likely to have already devoted time and other resources to the project or idea they seek to crowdfund.
	Crowdfunding becomes relevant to individuals when they start thinking about how to take their projects or ideas further.

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### 4.2.2. *Why use crowdfunding?*

Having explored crowdfunding and decided that it could prove a useful tool for raising funds for a particular project or idea (or specific aspect of these), the next step is considering further why such

a platform should be used. For first-time users with a project ready to crowdfund, using a crowdfunding platform may seem a low investment option presenting little or no risk. Thus, they may decide to 'give it a go' and 'just try it'. As Edgar put it: "The idea that if the campaign was unsuccessful it would have cost me nothing was a very appealing and liberating aspect of crowdfunding."

This is not to say that the drawbacks are not considered. First-time users will also consider issues such as the fees that will be charged; that there is a wide range of projects and that their quality may vary greatly; and that successful campaigns require a lot of input in the form of time, money and other resources. These challenges will be considered and prospective fundraisers may decide that in spite of them, there are advantages such as setting a specific goal for an existing project or, as Jonah put it, finding out "whether people liked our stuff or not".

Other reasons for using crowdfunding platform seemed to have been developed with hindsight and as a result of having run a campaign. In this respect, the fact that the crowdfunding platform functioned as a third party that mediated the process of asking for money was seen as an advantage for different reasons. First, it was suggested that using a platform "adds a layer of credibility and trust" and another participant mentioned that "the platform also served to provide reassurance to funders that we wouldn't just get the money and run away with it".

A second advantage of using a crowdfunding platform is that it makes the process of asking for money somewhat easier. Holly recognised the difficulties in asking for donations and conceded that through crowdfunding the process could be made easier and on different grounds as it goes beyond asking for money 'for free' and allows fundraisers to give something in return. In fact, the reward system makes it possible to give something back and as Kieran said, it allows users to give better rewards compared to traditional fundraising. In addition to this, there is feeling that using a third party highlights the fact that there is no obligation to give money. Charlie thought that this was appropriately suggested in the use of the word 'please' in the platform's title (PleaseFund.UK).

Thirdly, using a crowdfunding platform also makes the process easier by helping "to create a bit of a buzz about everyone involved". Creating a 'buzz' helps to create a 'high' in donations at a specific point in time and encourages those pledges which will take the campaign past its finish line. This feature differentiates crowdfunding from traditional fundraising and is further discussed in Section 2.2.6.

Finally, variety was another advantage of crowdfunding. On the one hand, it exposes projects and fundraising ideas to a wide group of people and, as Kieran suggested, this might lead "to corporate sponsors but also a lot of smaller ones". However, this exposure depends to a considerable extent on fundraisers' efforts to generate support, as is discussed below. On the other hand, crowdfunding can be used for 'all sorts' of projects, meaning that work which is difficult to fund through other avenues can raise support through crowdfunding. Holly suggested that for some smaller projects "it might be a nicer way to ask friends and family to support you". Nonetheless, hers and other projects showed that support can come from a wider range of audiences than these strong ties.

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Key messages: Crowdfunding can be seen as a low risk option given that in all-or-nothing platforms, campaigns accrue no fees if they do not reach their target amount.

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Fundraisers use crowdfunding not only for the monetary resources that it could give access to, but also as a way making a project visible to others and gathering feedback.

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Crowdfunding supports the process of fundraising by giving credibility to campaigns, allowing fundraisers to give something back in return (rewards), helping to create a 'buzz' around projects, and making projects accessible to a wide range of audiences.

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#### 4.2.3. *Choosing a platform*

The first step in developing a crowdfunding campaign is deciding on the platform to be used. 'What is available?' is the first consideration as some platforms have restrictions on the countries where project can be hosted, the languages available or the currencies and payment methods accepted. However, these restrictions are constantly being updated and removed in many cases. Another restriction is on the type of projects that can be hosted by the platform. Edgar mentioned that they had "looked at other [platforms] but they were operating in different spaces such as charities that limited what we could do, so it was only PleaseFund.Us that allowed us to run our project."

Although crowdfunding suggests the possibility of reaching out to anyone anywhere, the local aspect of a campaign was highlighted during the study. It was suggested that a British project would be better hosted on a British platform and that using foreign currencies could confuse backers. Felicity mentioned that being British she expected users of a British platform would identify with her; and Charlie also said that he chose the platform in part "because it is a British platform". However, although these comments may be justified, who ends up backing the project depends to a large extent on the fundraiser, as is discussed below. Moreover, the fact that projects vary widely also means that the community that backs them depends in the end more on other factors such as the network of contacts available to fundraisers and the nature of the project (see Section 2.2.6 below).

Rather than making an exhaustive and systematic search of the possible platforms to use, project owners look for reassurance about the suitability of a certain platform. They may browse a platform to try to decide whether their project fits within those already being showcased. Felicity said she chose the PleaseFund.Us because she liked the look of the website and other projects on it. She also liked the fact that the site focused on creative projects, although she wasn't sure hers fitted that description. Then she wrote to the platform and they thought her project was suitable. Diana mentioned that "PleaseFund.Us seemed the most established [platform] at the time" and also noticed that they had similar (although not identical) projects to hers. She also mentioned the fact that they had "a real named person" whom she could contact for personal support influenced her decision.

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Key messages: In choosing a platform fundraisers consider first what is available to them.

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Although crowdfunding suggests the possibility of reaching out to anyone anywhere, the local aspect of a campaign was a factor mentioned in relation to choosing a platform.

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Other factors considered in choosing a platform are the range of projects hosted, the appearance of the website and its reputation.

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#### 4.2.4. *Developing the campaign*

It was mentioned that “the real work starts a few days before the start of the campaign when you have to decide how you are going to approach people and the rewards you are going to offer and how much these are going to cost you.” There were some decisions fundraisers had to make before running the campaign, particularly those related to the target amount and the rewards they would offer. In addition to this, fundraisers were required to create a video to explain their project and this also contributed to the development of the campaign before it went live. Nonetheless, it was also suggested that, in some cases, deciding exactly how to approach people was not done until the campaign was up and running and, with hindsight, fundraisers could see that it was best to start campaigning before the campaign went live.

Once a platform is chosen there are some considerations and planning to make in order for the campaign to be ready. First, it is necessary to decide on the target amount and in doing this fundraisers take several factors into account. The amount needed is an important consideration but fundraisers are aware that they will not campaign for the full cost of their projects. So they may browse through previous and current projects and consider what other campaigners have asked for. For example, Felicity decided on her target amount without knowing exactly how much to campaign for, but after looking at other campaigns she thought that hers was a reasonable amount.

Given that fundraisers are looking to cover part of the costs of their projects and also expect other benefits from using crowdfunding, there is a tendency to ‘play it safe’ and ask for lower (but more feasible) amounts rather than being too ambitious. As Isabella put it:

“We could have gone for more than [the figure we asked for] but hadn’t done it before and we thought it would have been worse not to get that. And not reaching the target would not have made us look good in front of our other funders. So that’s how we decided to go for that amount.”

Preparing a video for the campaign is a requisite for PleaseFund.Us projects. This had an impact in terms of developing a campaign in that it forced fundraisers to think a bit more about their project and the rewards that would be offered in exchange for pledges of different amounts. Gary explained that they could have put the campaign up very quickly but having to prepare a video made the team sit and talk through their project for a few hours and discuss about what they would offer people.

Creating a video helps communicate what the project is about and as PleaseFund.Us state in their website: “a short video is a great way of telling people a little bit about yourself and of delivering a personal and engaging summary of your project”. The skills and resources available to fundraisers to prepare a video vary widely as did the strategies they used to prepare one. On one extreme, those with little or no resources to prepare a video may pay for someone else to help them prepare one or can ask someone in their network of contacts for help. On the other extreme, making a video can be part and parcel of fundraisers’ activities and present no difficulties at all. In any case, there



seemed to be an agreement in that putting together a video of the project had a positive impact and this impact is discussed again in section 2.2.8.

### *Choosing rewards*

Offering rewards in exchange for pledges distinguishes crowdfunding from other fundraising mechanisms. Compared to traditional fundraising, it makes it possible to give something more significant in return. This could go from thank you cards or notes of recognition to one-to-one sessions sharing expertise (see Annex 4.1 for some illustrations of the rewards offered). As Kieran mentioned, crowdfunding allows fundraisers “to use one’s knowledge and expertise to give as a reward for the pledge”. Some examples of these (from the PleaseFund.Us website) include bespoke publicity or advertisement in social media, offering a one-to-one music lesson, or providing a specific service for the backer.

Fundraisers’ hindsight indicated that rewards needed to be planned carefully and project owners needed to ensure that these were feasible and within their control. Well planned rewards could be straightforward to fulfil but if not thought through they might lead to complications. For Kieran it was straightforward as smaller pledges (which were the most common) involved tweeting and this is something he is involved with day-to-day, so it was not very time consuming. For bigger pledges he had offered something also within his area of expertise so in all he did not find fulfilling the rewards too complicated. There are reasons, however, why fulfilling rewards can become time consuming such as involving others who are not directly responsible for the campaign in offering and delivering rewards. For example, Edgar had a couple of rewards offered by other members of his team and found himself needing to chase and remind those responsible. Similarly, Felicity found that one of her rewards (offered by a member of her team) was no longer available once the campaign had finished.

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#### Key messages:

Prior to the start of the campaign, fundraisers must make some decisions such as deciding on the target amount, the rewards to be offered and how to approach their audience.

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Preparing a video telling who they are and what their project is about was also required from fundraisers prior to the start of their campaign.

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Preparing a video helped fundraisers better develop their campaign. The skills and resources available to fundraisers to do this varied from one individual to another.

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Offering rewards in exchange for pledges distinguishes crowdfunding from other fundraising mechanisms as it broadens the possibilities for fundraisers to remunerate backers for their support.

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Fundraisers’ hindsight indicated that rewards needed to be planned carefully and project owners needed to ensure that these were feasible and within their control.

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#### 4.2.5. *Running the campaign*

Advertising and generating publicity were seen as important resources provided by the platform. The platform takes an active role in this and in promoting and establishing their brand through activities such as sponsoring major events and active promotion in the social media community. Ultimately, however, fundraisers are responsible for the running of their campaign and everything it involves. The platform provides support in preparing the campaign and making it live but generating support from the target audience depends largely on fundraisers' efforts. As Charlie said: "I feel it's very much down to the individual to create their own publicity for the whole thing".

Running the campaign involves 'flagging out' that the campaign is on, asking for money and keeping track of how things are developing. Flagging out the campaign is a constant activity for as long as the campaign is running<sup>30</sup> and it involves advertising the campaign and generating support; making it visible and trying to generate traffic on its webpage. Generating support in this way is a labour-intensive task and, as Holly suggested, "people underestimate how you must *really* push it and how difficult it is to get across people." Generating support is mainly done by mobilising one's social networks. This is one of the main parts of the crowdfunding campaign and is discussed in more detail in the next section.

Fundraisers also have to make it explicit that they are asking for money. They are not always comfortable with this but, as mentioned before, they realise that crowdfunding makes the process somewhat easier. Asking for money was described as a balancing act. Holly mentioned that it is about "not asking too much, but at the same time considering that you've got to ask and at the end of the day people can always say no". So fundraisers have to learn to be "persuasive and pushy but not too much that you push people away". At the same time, there is a need to justify why the campaign is taking place and what the money is for. There is a lot of effort involved in this and in showing that the money pledged will go to a worthwhile cause such as helping someone move closer to a clear goal towards which they have already invested a lot of time and effort.

During the campaign, backers may communicate with fundraisers by asking questions or posting comments. This requires effort from fundraisers in the form of responding to messages and questions, providing updates and keeping track of what is going on in the campaign. Charlie mentioned that posting updates on his campaign's webpage was time consuming and that at times it was difficult to know who would read them; however, he got "very good feedback from doing this". Keeping track of the pledges is also important since if the campaign is successful the rewards offered in exchange will need to be fulfilled and this requires organisation skills from fundraisers.

In running a crowdfunding campaign, someone must take responsibility for the campaign itself and the activities involved. In the cases considered only one person in each campaign took on this responsibility. Expecting others to take the lead in e.g. fulfilling a reward or 'really hitting people on the head with the campaign' (which was Holly's way of expressing how publicity was an ongoing and time consuming activity) would result in disappointment. This suggests that delegating activities needs to be done with care. This is important to consider as campaigns require time and effort (as suggested by fundraisers who found themselves 'working' for their campaign full-time at least for a period while it was running).

In all, crowdfunding campaigns require that fundraisers inject resources into their campaigns. This can be in the form of money, such as paying for press releases to be arranged by a third party or paying for support for a video. And even if this is done using one's own resources and expertise and without the need to incur in any extra expenses, coordinating the campaign requires both effort and readily available resources. The following quote from a successful campaign indicates the effort and resources behind the project:

"I haven't kept track of the hours I have put in but I would guess I probably spent five to ten hours putting the pitch together. Probably also over the [days of the campaign] at least an

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<sup>30</sup> Campaigns in PleaseFund.Us can last between one and 55 days.

hour a week and probably more than that over the last days. Quite a lot of work. Also I did a press release, lots of social media, emails out of my contact list... Fulfilling the rewards has also been an on-going process requiring me to be organised. I had to pay someone to help me in the admin for that.”

So fundraisers bring to crowdfunding their own personal resources: capital and experience and as will be highlighted in the next section, social networks. Crowdfunding allows them to put these resources to work to generate funds but also to connect with others and to interact with their communities.

Key messages:	Fundraisers are responsible for running their campaigns which involves a range of activities aimed at getting the message across and generating support.
	Generating support is a labour-intensive task during which fundraisers make it explicit that they are asking for money and try to be tactfully persuasive.
	Fundraisers communicate actively with potential backers online via social digital media, including through the platform.
	Time and money are resources that fundraisers inject to their campaigns; they will put time and effort in running their campaigns and may pay for extra support as well.

#### 4.2.6. *Mobilising one's networks*

Fundraisers' social networks will be their main community of potential supporters (at least initially) and considering their context and their characteristics is important in the process of generating their support. These social networks or community may be composed of already avid internet users who are familiar with the idea of crowdfunding. This can be the case for example when the project is an internet-related product such as an online game, or it involves activities that attract internet users per se. In this case the idea of crowdfunding might be familiar and easy to grasp. However, other communities may not be familiar with crowdfunding and might need to be introduced to the concept and what it involves.

The broader context might also be relevant. Interviewees were of the opinion that crowdfunding had more acceptance and was more embraced in some countries and less in others. Opinions in relation to this were sometimes related to a general cultural approach to entrepreneurship and making charitable donations. Other times these were related to a country's laws or government approaches to crowdfunding.

In any case, more than an exercise in considering the broader context of the target audience or doing a 'market research', crowdfunding campaigns require fundraisers to mobilise their social networks to generate support. That crowdfunding is a labour-intensive process was mentioned in the previous section. This section supports this statement and suggests that a high proportion of the work involved will go into reaching out to others, i.e. 'telling people' about the project and proactively advertising it in a personal way. As Laura put it: "of course more people will respond to you as a person; to me and my product. That's how I got a lot of responses so quickly".

### *Reaching out to one's network*

Reaching out to others is more precisely about reaching to one's own social networks hoping that this will transcend this group and broaden the campaign's reach. In doing this social digital media and email messaging are among the most relevant channels. Tweeting and emailing, for example, can make fundraisers' stronger and weaker ties aware of the campaign. Laura explained how one of her backers was someone who she had met a while ago and found about the campaign via Twitter. Also, Felicity talked about sending an email to everyone in her address book and generating pledges from this. However, given that a good proportion of backers and the money pledged came from people fundraisers knew well (family, friends, colleagues and people related to the project), it is evident that social media is by no means the only channel used.

By using social media it is possible to 'reactivate' personal connections with people fundraisers know but have not seen for some time. Such connections can react positively upon hearing that someone they knew from a previous job or an activity that took place some time ago is running a campaign. This may lead to pledges from people with whom they had interacted at some point but not necessarily developed a close tie. Laura explained how she had emailed someone she had met before and with whom she had established a brief but significant connection as a customer. When this person received the email about the campaign the connection was re-established and the person decided to back the project with a substantial amount. Gary also mentioned about how their campaign and their efforts to generate support from their extended networks resulted in reactivating connections who responded surprisingly well to the campaign and eagerly supported their project.

Although digital social media offers the possibility of making the campaign known to a wide audience, fundraisers mentioned that there were no backers who they didn't know in some way or another and that they could account for all of them. There may have been some unexpected backers but in all they recognised all of them as people they knew directly or indirectly, as a friend of a friend, etc. For example, Kieran said that none of his "funders were from outside the community as such" and that although some were from outside the UK he could account for all of them. Edgar mentioned that he didn't think the platform is the place to make new connections and explained that:

"It was people within the existing broader community that came to us through [the platform], but I don't think there were that many new people just from the fact that we did the campaign. In fact, I don't think we got any new people, they are people in peripheral communities who knew people, who knew people who knew us."

Conversely, a fundraiser whose campaign did not reach the set target, said that they "were not able to raise money from crowdfunding because we didn't have much of a following". He also mentioned that they had not planned ahead of time and acknowledged that he unwittingly "thought that with crowdfunding it would all fall in place." This suggests that campaigns require that a network of contacts is already in place to draw upon for support. This network and their backing is gained with time and effort from fundraisers and although it may improve through the campaign, it seems that starting to generate this support at the same time as the campaign is running is already too late.

Having built a community previously and gaining their trust and support are elements that successful fundraisers believed were behind their success. Moreover, it was suggested that without this support reaching the target amount would not have been possible. Kieran insisted that his successful campaign "was the result of years of constant blogging and constant tweeting. I don't think I received any money from people outside my community; it was my community that made it happen."

In spite of this, there was some expectation that the campaign would contribute to broadening the reach of the fundraiser's community and there was some disappointment that this did not happen as often as hoped. Isabella found that the campaign was successful about "galvanising the

community and getting them on board” but she felt “that projects are only funded by the people who know about them” and that their campaign “didn’t broaden our reach.” Even in cases where fundraisers mentioned that backers were unknown to them, further probing revealed that it was possible to account for these supporters in one way or another, e.g. as weaker ties of someone related to the project. This seems to suggest that crowdfunding is not about finding a whole new group of followers that are keen to engage with and support a project for its own merits. Instead, as it was suggested, crowdfunding is more about *activating* latent support.

Nevertheless, by working hard at activating the support of the networks that they have cultivated over time, fundraisers may be able to make new connections in the course of their campaign. Possibly the most optimistic comment in relation to this was Felicity’s who was able to establish a relationship with a community directly related to her area of work. Access to this community was a result of her efforts to reach out and establish a personal connection with its members. This shows that it is possible to reach other communities or people outside one’s group through crowdfunding, but this is not to be left to the campaign itself to achieve and fundraisers need to consider that this activity takes time. As Diana put it, crowdfunding is about activating latent support rather than generating it. Another unsuccessful fundraiser acknowledged that if he were to use crowdfunding again he would make sure he started campaigning before the project goes live on the platform. As said, the community has to be created by the time the crowdfunding is up and running for a project to be successful.

### *Generating momentum*

Crowdfunding projects have both a target amount and an end date and as is stated in the platform’s website, this helps to put pressure on both fundraisers and their supporters. Being able to generate this momentum or ‘buzz’ plays an important part in the success of a campaign. Short-lived campaigns, widely advertised through digital social media are able to reach their target amount sometimes just before the campaign comes to an end. As a successful fundraiser mentioned, most of their pledges came the last day and “there was a peak and definitely a buzz in those 24 hours where people were keen on getting me past through the finish line!”

Gaining momentum comes as a result of activating one’s network of contacts and as pledges start to accumulate. There is a peer effect in this and seeing that people are supporting a project encourages other followers to support it as well. Gary thought there was a social aspect to this and that “once people have started to see that others have supported the project they get involved as well; [for us] once the first person pledged then the second and third followed”. Another fundraiser mentioned how she took the advice from the platform in taking into account advice that momentum is everything.

Generating momentum is an essential feature of all-or-nothing crowdfunding platforms and one which distinguishes it from traditional fundraising. In relation to this, Edgar explained how he tried to sustain incoming funds for his project by following their successful crowdfunding campaign with a more traditional funding campaign. However, support had already started to dwindle and they were looking for alternative ways of generating momentum once again. Another crowdfunding campaign seemed like a possible alternative.

The use of social digital plays an important role in generating momentum contributes to differentiating crowdfunding further from more traditional forms of fundraising. PleaseFund.Us allows users to exploit the capabilities of digital social media platforms and enables fundraisers to communicate with their network of contacts; it allows communication to flow in both directions. In this way, questions and answers can be posted online and the thread of comments and updates can be shared with the rest of the community.

Writing updates on the campaign’s page and responding to comments is not a requisite for fundraisers but the platform team prompt fundraisers to do this. As Edgar mentioned, “the platform manager prompted us to write campaign updates and that was very helpful in generating

momentum". Telling others how much a campaign has raised already helps to generate momentum and spurs the community to give more. This gets viewers excited, particularly if a campaign is getting closer or even exceeding its target amount.

This section has looked at how fundraisers mobilise their networks to activate their support and raise funding for their project. Most if not all of this support will come from people that fundraisers have been able to engage in such a personal way that they decide to make a pledge. One more source of support can be identified and it is the support of fellow fundraisers within the platform who already understand what crowdfunding is and what is involved in running a campaign. In relation to this, Holly mentioned that: "People in this platform are also very supportive of each other. I suppose they understand it is a big effort to raise money. It is also very exciting that people who are seeking money have also pledged money. They know the amount of work it involves, I guess!"

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**Key messages:**

In terms of context, fundraisers' social networks will be their main community of potential supporters (at least initially). This group may be familiar with the idea of crowdfunding or may need to be introduced to it.

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During their campaigns, fundraisers reach out to their social networks using different channels, but digital social media and email are particularly prevalent.

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Through digital social media fundraisers can 'reactivate' old personal connections who may react positively upon hearing that someone they know is running a campaign.

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Building a network of supporters is important for crowdfunding projects. Fundraisers mentioned that there were no backers who they didn't know in some way or another and that they could account for all their supporters.

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Crowdfunding campaigns are short-lived and widely advertised through digital social media. This helps to generate a momentum which can be observed, for example, in campaigns which are able to raise a high proportion of their target amount just before the campaign comes to an end.

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#### *4.2.7. Impact of running a crowdfunding campaign*

Fundraisers recognised that the impact of running a crowdfunding campaign goes beyond accessing funds. Raising the target amount is among the main positive impacts of crowdfunding and in the case of PleaseFund.Uk only projects that reach or exceed this amount are able to access what was pledged. However, there are other benefits of running a campaign. It is argued that one of the impacts of running a crowdfunding campaign is building experience in this area; fundraisers who run more campaigns may put this substantive experience in practice at a later time. Another impact is in relation to the skills required to run a successful crowdfunding campaign; this involves both the development of new skills and the opportunity to put in practice previously acquired ones. Crowdfunding was also seen as an opportunity to raise one's profile and to engage with a community. These potential consequences of crowdfunding are discussed in this section. Possible negative impacts of running a campaign are also discussed.

### *Building experience in running a crowdfunding campaign*

Crowdfunding is a learning process and fundraisers' experiences provided insight about the things that they could have done differently in running their campaign and which they might put into practice at a later time. One of the lessons learnt was that starting early was crucial. For example, it was mentioned that sorting out press releases to advertise the campaign and making the project's webpage live until after the start of the campaign was a mistake to be avoided. This comment was made by the two fundraisers whose campaigns were in the end unsuccessful. However, fundraisers whose campaigns achieved their target amount also learned from their experiences suggesting that running a campaign involves a learning curve.

Another piece of learning gained as a result of running a campaign is related to organising rewards for backers. As mentioned before, fundraisers' experience provided them with insight as to which rewards are feasible and manageable and which might be difficult to fulfil. Rewards that involve using one's own area of expertise and that are close to one's day-to-day activities were seen as relatively straightforward to carry out. On the other hand, relying on other people to fulfil a reward could be risky as in this case fundraisers have less control over how and when this is done.

Overall, fundraisers also developed a better understanding of crowdfunding and their communities' view of it. Crowdfunding was described as empowering as it gives fundraisers control over their message and how they want to promote themselves. Crowdfunding was also seen as a public relations exercise providing the opportunity to communicate with others and to raise one's profile. Fundraisers' comments in relation to their communities' knowledge and understanding of crowdfunding varied from being very familiar with it to finding it completely new. For instance, in the online gaming community crowdfunding was already a common place, while the fundraiser whose project involved a theatre play found that there was often a need to "educate users" about crowdfunding.

Further understanding was developed by fundraisers about how crowdfunding works. This involved gaining an understanding of technical aspects such as to how the information fed on the website "would appear in someone's Facebook account", or how to use digital social media more effectively to promote a project. In relation to the latter, one fundraiser made the following comment:

"I am mad about social media and seem to understand how it works very well. But other people seem to not have a clue. It still seems to be an unknown quantity which I find quite peculiar, I find that some of the finer details are not easy to grasp by some people in terms of how to pass on the message effectively. It sounds petty to sit down and try to explain people how it works."

Likewise, learning involved gaining an understanding of how fees are collected and finding out that not all backers are comfortable with these and with making pledges online. In all, this suggests that as fundraisers and backers use crowdfunding they build experience in running or backing a campaign and thus become more experienced users.

### *Skills developed and skills required*

The question of skills developed was an important one from the point of view of the study. Fundraisers conceded that their experience with crowdfunding helped them develop a range of skills. Some hard skills were mentioned which could be grouped as digital skills including learning to use software such as spread sheet packages (Excel) and figuring out how to send emails to a large number of recipients whilst "avoiding getting spammed and being blacklisted". Other digital skills mentioned were the skill to prepare and present a video and the skill to use social digital media effectively. As suggested in the quote below, these skills are intertwined and also related to presentation skills:

"I've never done a video before. I've never done a sound edit before and had to decide on how to present the information. So I've developed some presentation skills. I also learned

how different online platforms could be used together; a video, a PayPal account, the Facebook network, Twitter. Now I actually have a blog and make sure I am linking it all up. So I have learned a lot.”

Other skills developed could be grouped as communication skills and this includes the ability to communicate in written form. A fundraiser discovered, as a result of the campaign, his “liking for writing and that people enjoyed it”. Communication skills also include the ability to engage with a network of contacts and to encourage them to extend their support for a cause. Engaging with a network of contacts involved “putting yourself out for the community” and providing feedback and information. Encouraging potential backers was about “being pushy, but not going too much over the top” or, in other words, it required putting into practice the (communication) skill of understanding how best to put a message across to persuade others.

In addition to this, running a good quality campaign is an exercise in coordinating events and planning, suggesting that organisation skills are also involved. Running the campaign was seen as a big responsibility “before, during and after the campaign as you promised you are going to do this or that and then you need to respond and to manage the money that is coming”. Fundraisers may find that they already have organisation skills, but if this is not the case they will either develop these skills or they will find that they cannot keep up with the demands of running a campaign and this might affect the outcome.

In sum, running a crowdfunding campaign can help fundraisers develop digital skills, presentation/communication skills, and organisation skills. These skills are interrelated and it is argued that they complement and enhance each other.

However, possibly more important than the skills that participants developed and their potentially useful experiences, it became evident during the study that the skills that fundraisers brought to their campaigns are possibly more important than the skills they gained. Fundraisers brought with them skills and knowledge developed as a result of their professional or educational background. Marketing skills was an example of a skill that fundraisers may have developed as a result of their professional occupation and that proved useful in running a crowdfunding campaign. Similarly, digital social media skills developed as a result of a person’s professional or recreational activities also played an important role. Conversely, there are skills which will be less relevant to running a campaign. As a fundraiser explained:

“Let’s say you are a legal secretary and decided to launch a [campaign], you might find that it’s such a different skills set and so far from social media that it would be a real change of headset.”

Moreover, given that the social networks that fundraisers had already developed were also more important than the ones they could create during the campaign, it can be said that they also possessed a set of well-developed communication skills by the time they started their campaign. Although some new skills were acquired and some were refined, campaigns and the projects involved would not have been the same without the skills and resources that participants brought with them. This holds at least for fundraisers whose campaigns were successful.

It was suggested that a crowdfunding project would be a ‘tremendously’ useful exercise in a postgraduate degree in the area of management and business administration. This statement does not necessarily indicate that it is possible to develop the skills involved in such a degree by running a crowdfunding campaign. Nonetheless, it does suggest that running a successful crowdfunding campaign requires the fundraiser to demonstrate skills and resources (the latter in the form of social networks in particular) and the ability to put these resources into practice.

### *Raising one’s profile and developing a community*

Running a crowdfunding campaign is in itself a public relations exercise. Projects can sometimes raise money from other sources but the opportunity to raise one’s profile and to communicate with

others via the campaign are additional benefits of crowdfunding. Diana mentioned that: “More than money, the campaign was a good opportunity to raise the profile of the [project] through the process.” For Edgar, the campaign was a “great way to communicate” with his community and to explain their aim in relation to their wider project.

Raising one’s profile and developing a community is aided by activities such as putting a video together, preparing other communication material and engaging with one’s community via the platform, social digital media, press releases and in any other ways devised by fundraisers. The fact that there is a deadline helps fundraisers focus their efforts and, as discussed above, to generate momentum. Some fundraisers are more used to this type of activity although for others this may be new. Edgar mentioned that being a ‘communicator’ is not something he had done before and that the campaign was a big experience for him in this respect.

Being able to engage the community and gathering their support give credibility to a project. It shows that there is support for the proposed venture and that fundraisers are committed and prepared to go out and raise the money that is needed. Moreover, the community may become established in such a way that communication between fundraisers and backers becomes sustained, at least during the campaign. Felicity had hoped that as a result of her campaign backers would become “a kind of community, that I wouldn’t just be taking their money but that there would be a relationship and that I would give feedback to them throughout the campaign”. This aim was achieved although it is unclear whether or how this relationship continued after the campaign.

#### *Negative impact of a campaign*

As it was mentioned above, there was a view that there is nothing to lose by running an unsuccessful crowdfunding campaign. This view was related to the fact that, if a campaign does not reach its target amount, there are no fees to pay and it may seem to fundraisers that it is worth giving crowdfunding a try. However, unsuccessful campaigns can impact negatively on fundraisers’ projects. In the worst case-scenario, “the impact is that the project and everything associated with it maybe would not happen, or would take longer and would be more difficult to realise”, as Kieran put it. Nevertheless, this can be seen as a calculated impact associated to the fact that unsuccessful campaigns accrue no fees.

A more significant effect of running an unsuccessful campaign is damaging the image of the project by showing that it does not have support from the community. As Isabella mentioned, they focused on their campaign entirely for a month to make sure they hit their target as “the flip side of not raising the money is that you are demonstrating that you don’t have the support, so there’s a lot at stake.” Furthermore, one of the fundraisers whose campaign had not been successful mentioned that their lack of success through crowdfunding impacted negatively on their image and prevented them from accessing funding from other sources.

Thus, as well as helping users to raise their profile, crowdfunding can impact negatively on a project’s image if a campaign is not carefully managed or if the campaign is done carelessly. An unsuccessful campaign does not necessarily mean negative publicity if the exercise is managed well and in a way that highlights the entrepreneurship involved in putting together a project and that fundraisers have considered the risks. Above all, fundraisers must consider the fact that the information they put forward on the internet becomes part of the public domain. Therefore, just like with digital social media, fundraisers need to consider the profile that they progressively build of themselves via the internet.



Key messages:	Running a crowdfunding campaign can have an impact on individuals on a number of levels; generating support to realise a project, cause or idea being a salient effect.
	Running a crowdfunding campaign also provides practical experience and insight into the crowdfunding process, both of which could be put in practice at a later time.
	Running a crowdfunding campaign can also help fundraisers develop transferable skills such as: digital skills, presentation/communication skills and organisation skills.
	Possibly more important than the skills developed are the skills, experience and other resources (e.g. social networks) that fundraisers bring to their campaigns.

#### 4.2.8. *Continuing to use the platform.*

Using a crowdfunding platform can be a one-off activity even if fundraisers do not discard the possibility of using crowdfunding again in the future. One reason for this is that a good proportion of the backers are from the group comprising family, friends, colleagues or those related to the project. Fundraisers indicated that there is a fatigue factor in asking these people for money too often and Gary made the following comment in relation to this:

“We would definitely do it again but would time it carefully because most of our pledges came from friends and family we wouldn’t like to ask from them again, not so soon. I’m not sure we would do it again this year but if we have another big project in the next couple of years we will consider doing it again.”

As is also suggested in Gary’s quote above, a further reason why fundraisers would not run another campaign too soon is because they may run out of material for a campaign. As mentioned before, running a crowdfunding campaign is done as part of a bigger project and another campaign would require possibly another new project or at least some new material. The fact that this takes time and effort as well as resources prevents fundraisers from running projects again soon, or sometimes from running another project at all.

In spite of this, there were a couple of cases where fundraisers were already in their second or even third successful campaign. In one of these cases the fundraiser circumvented the problem of running out of material by acting as ‘producer’ rather than ‘director’ of projects, i.e. by limiting direct participation in the projects in question and focusing on investing time and effort in their promotion and fundraising activities. This suggests the possibility of using crowdfunding continuously. For this fundraiser, engaging the wider community and going beyond family and friends was crucial to continue generating support and a great effort was put in promotion and reaching out activities.

The other case of continuous use of crowdfunding involved a fundraiser who successfully combined his campaigning with his main (income-generating) activity. In this way, his day-to-day activities provided material for the campaigns and facilitated the rewards. Although crowdfunding by no means provided a sustained income, it did generate funding and other benefits as mentioned above.

In sum, running a crowdfunding campaign may be a one-off activity as fundraisers’ networks are comprised predominantly of close ties who cannot be asked too often to back their friends, family or colleagues’ fundraising campaigns. Moreover, fundraisers may run out of material once they have run a campaign for a project that takes their time and effort. However, it is possible to run successive campaigns by dealing with these two issues. This would involve developing a strategy for making material available for further campaigns, and a strategy for expanding one’s networks

of contacts so that the same group of supporters is not necessarily targeted with each new campaign.

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Key messages:	Crowdfunding users need a significant project, cause or idea to campaign for and therefore using running a campaign can be a one-off activity even if fundraisers do not discard the possibility of using crowdfunding again in the future.
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	It is possible, however, to become a more regular user of crowdfunding as a fundraiser by, for instance, linking crowdfunding to one's day-to-day activity (or other activities) or running a campaign for other people's projects.
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	In running successive campaigns, fundraisers also consider the need to expand their networks of contacts so that the same group of supporters is not necessarily targeted with each new campaign.
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### 4.3. Summary of main findings

As a reward-based crowdfunding platform, PleaseFund.US provides project owners the opportunity to showcase their projects and ideas and to gather the funds needed to make them happen. Running a crowdfunding campaign is likewise seen as a marketing opportunity and as a way of communicating and connecting with a community of potential backers. Other advantages of using a crowdfunding platform such as PleaseFund.US is that it acts as a third party in the process of raising funds, gives credibility to fundraisers and their projects, and makes the process of asking for money somewhat easier.

In choosing a crowdfunding platform, fundraisers consider what is available to them and their projects. They will come across different platforms and they will explore whether their projects fit within a platform's scope and with the projects already showcased. PleaseFund.US seek to differentiate themselves from other platforms by providing personalised support to users and this was reflected in fundraisers' comments during the interviews. This factor may play a role in fundraisers' decision of where to host their project in this platform.

It was recognised that work towards developing a campaign should start before the campaign goes live online. This work includes practical considerations such as deciding on the target amount and setting the different rewards that will be offered to backers in exchange for their support. In deciding the target amount, fundraisers seem cautious about not asking too much in case this could lower their chances of success. PleaseFund.US asks fundraisers to prepare a video telling people about themselves and their project and this is also part of the preparation work prior to the start of the campaign.

PleaseFund.US plays an active role in promoting the projects they host but the task of reaching out to the community and gathering their support lies on fundraisers. 'Flagging out' the campaign to potential backers and asking for their support was seen as a labour-intensive activity in which fundraisers invested time and effort. During their campaign, fundraisers' main efforts revolved around mobilising their social networks in different ways. Communication through digital social media (particularly Facebook and Twitter) and by email were the most common ways of letting people know about the campaign. Communication through the platform itself also played an important role as did the press releases which were used by some project owners as a way of spreading the news about their campaigns.

The communities that fundraisers target vary in relation to their familiarity with crowdfunding depending on the type of project in question. Digital or internet-related projects are more likely to target users who have come across crowdfunding before or are familiar with online exchanges. On

the other hand, other projects may target an audience which is not necessarily familiar with crowdfunding and in this case fundraisers will need to deal with this knowledge gap. It was also suggested that other aspects of the context in which a project takes place are important such as the way entrepreneurship is seen in a community.

Reaching out to the community is about reaching out to one's social networks asking for support. To this end, fundraisers target their close as well as their loose ties, i.e. people within their networks but with whom they do not have frequent interaction. In doing this they may reactivate personal connections and gather support from people they have not been in contact with recently. Fundraisers agreed in that most if not all of their supporters could be accounted for directly or indirectly and that they or someone related to the project team knew them in some vein. This highlights the importance of fundraisers' social capital and of starting to develop a community of supporters before the crowdfunding campaign goes live. Although it is possible to broaden one's community during the campaign, starting early provides better opportunities to ensure support is in place at the right time.

The impact of running a successful crowdfunding campaign includes accessing funds to realise a project, cause or idea. In addition to this, by running a campaign fundraisers develop crowdfunding experience and insight which could be put in practice if they run subsequent campaigns. Fundraisers interviewed mentioned that their experience of crowdfunding also helped them to hone or develop other skills such as digital skills, presentation/communication skills and organisation skills. In relation to digital skills, these included becoming more skilled in the use of software as well as becoming more experienced users of social digital media. Possibly more important than the skills developed, however, seem to be the social and cultural capital fundraisers possessed. The former manifested itself the form of social networks; cultural capital was evident in their professional experience and education (nine out of ten fundraisers contacted had at least a graduate degree).

For fundraisers, running a crowdfunding campaign is a public relations exercise and the platform provides a space to raise their profile and gain visibility for their project, cause or idea. Digital social media is an important conduit for the information shared between fundraisers and their community. These are seen as resources that are widely available to anyone with access to the internet and some digital skills. However, being able to make efficient use of these resources and being successful at reaching one's aim depends also on other factors, including having the necessary digital skills as well as social and cultural capital as mentioned above. Therefore, the question that this case study poses to further research is about how individuals can be helped to develop the skills and access the resources needed to be able to engage in internet-enabled exchanges such as this one and benefit from the experience.

**Table 4.3: Examples of reward-based crowdfunding projects**

Category	Example	Rewards offered (examples)
Art/Photography	<p>“Photography collective 2012: Help 13 contemporary photographers launch their careers.”</p> <p>Target: 2,000 GBP (successful)</p>	<p>For 50 GBP:</p> <p>“Thank you email, postcard invitation to the private view, plus three 10x8” original signed photographs from three of our artists.”</p>
Charity	<p>“A half marathon for <i>la casa de mi padre and la casa de esperanza</i>. This project seeks to provide opportunities for those who simply don't have them in Chasquipampa, La Paz &amp; the city of El Alto in Bolivia.”</p> <p>Target: 500 GBP (successful)</p>	<p>For 10 GBP: “Thank you for your support, without it this campaign would not be possible! We will find a way of saying thank you even if it is a simple card, or shoutout through facebook or twitter!”</p>
Comics/ Writing & publishing	<p>Boom Books and Comics Project Funds. This project seeks funds for developing comic books and further material.</p> <p>Target: 30,000 GBP (unsuccessful)</p>	<p>For 49 GBP: “Pledge £49 or more and get your name printed on both books 'thank-you' pages, + "OBON" in E-book version + ARTWORK signed CUSTOMIZABLE.”</p>
Dance	<p>‘Connectingvibes*’ bid to perform at the 2013 Grenada National Dance Festival. The campaign seeks to raise funds to cover the airfares of seven members of the company to attend the festival.</p> <p>Target: 5,000 GBP (successful)</p>	<p>For 10 GBP: “Dance Class with IRIE! dance theatre at the Moonshot Centre in New Cross as part of the Dance Yourself Fit Programme, choice of African Dance, Caribbean Dance or Pilates.”</p>
Food/ Writing & publishing	<p>“Mission: Explore Food. We need your help to create Mission:Explore Food, the latest in the series of children's books which The Society of Authors have said "encourage children to explore the world around them, developing their curiosity, confidence and courage along the way...".</p> <p>Target: 15,000 GBP (successful)</p>	<p>For 20 GBP:</p> <p>“A signed book + a surprise + an invite to the launch party + your name listed in the book as a patron of the culinary arts.”</p>
Theatre	<p>Sam rose in the shadows. A new play by the children's puppet theatre company Tucked In “about what it is like to be sad and how one can learn to be happy again.”</p> <p>Target: 2,200 GBP (successful)</p>	<p>For 600 GBP:</p> <p>“If you pledged £600 we can perform Sam Rose in the Shadows just for you and your friends. A special party in your own home, your local community centre... your wish is our command.”</p>

## 5. CSF CASE STUDY: SOCIOSINVERSORES.ES (ES)

### 5.1. Introduction

This case study, featuring experiences from users of SociosInversores, provides an opportunity to look at equity-based crowdfunding. Platforms classified under this label share some elements in common; however, their distinctive features may mean that in the end they operate considerably different and have a different impact on their users. This introductory section (section 5.1) provides a description of SociosInversores and the way it operates; it also discusses methodological issues in the preparation of this case study. This sets the scene for section 5.2 which presents experiences and insights from users of the platform based on conversations held with them by telephone. Users include entrepreneurs looking for funding to make their business project or idea possible as well as investors looking for opportunities to participate in a business. This section also discusses the idea of entrepreneurship from the point of view of users of SociosInversores and then explores what they seek to obtain as well as what was actually achieved. The summary of the findings presented in Section 5.3 highlights the role of the platform as a space where entrepreneurs and investors can learn about each other. The issue of trust is also brought to the fore as an important element to be considered in this and arguably other internet-enabled exchanges and which should be explored in further research.

#### 5.1.1. Description of the platform: SociosInversores

SociosInversores (<http://www.sociosinversores.es/>) is an equity-based crowdfunding platform (CSF) founded in January 2011 in Spain by Javier Villaseca, a young entrepreneur who was 23 at the time. The idea of the platform emerged from the combination of a series of factors including previously developed ideas about potential new businesses, an awareness of crowdfunding developments in the US market, and the lack of financing possibilities for those looking to start a business or develop a project. An underlying impact factor was the European economic crisis which has affected the employment situation of a high proportion of the population and which had prompted individuals to seek self-employment options.<sup>31</sup> As the founder explained:

“The idea of the platform emerged in the light of the current economic situation in Spain. I’ve always had an entrepreneurial character and had plenty of ideas in my head but access to credit was something that was stopping me. I observed what was going on in the US market in relation to crowdfunding and decided to adapt the idea to the Spanish market”.

The combination of these factors led to the development of an online platform which provides a space for entrepreneurs to showcase their projects and business ideas, and for the public to search for investment opportunities. As a collective financing instrument, SociosInversores is a resource that increases the possibility of accessing funding for new or existing projects by tapping on the financial resources of those who are looking for alternative options to invest in new ventures and support their development. It can potentially lead to new businesses and to the creation of new jobs.

The platform is made up of a team of ten permanent staff and they are based in Madrid. The following characteristics differentiate SociosInversores from other type of platforms, particularly from reward- or donation-based platforms, but also from other equity-based platforms.

- The projects hosted by SociosInversores are enterprises at different stages of development. The different ‘sectors’ include: agroindustry, distribution & commerce, building & real

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<sup>31</sup> Spain’s unemployment rate was estimated at 26.3% in June 2013, while the youth unemployment rate was 56.1%; these figures are the second highest among the Member States after those for Greece . (Source: Eurostat unemployment statistics: Available at: [http://epp.eurostat.ec.europa.eu/statistics\\_explained/index.php/Unemployment\\_statistics#Main\\_statistical\\_findings](http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Unemployment_statistics#Main_statistical_findings) Accessed 12/09/2013).

estate, energy, education & culture, export, industry, marketing, services, health & beauty, and technology & internet, among others.

- The number of investors per project is smaller than for other forms of crowdfunding and they tend to invest more money (e.g. compared to reward-based crowdfunding). Projects where one or two investors contribute with the full amount required are not uncommon.
- Project owners, or entrepreneurs, offer investors a financial return on their investment mainly through shares in the business or in the profits it generates, but other forms of remuneration can also be considered such as employment or accommodation.
- SociosInversores act as an intermediary between entrepreneurs and investors but do not collect or distribute any money. For their services, the platform charges five per cent of the total amount invested in a project. This model means that the platform is able to avoid legal limitations that other crowdfunding platforms can face, particularly if they take up roles that are in some countries exclusive to banks.

The latter point provides advantages and disadvantages, as the founder of the platform explained:

“This is the first platform of its kind in the sense that we do not take any of the functions of a bank since we do not touch money at any point. The agreement is made between entrepreneurs and investors and the money is transferred between them. We make profits by charging a percentage of the total money invested. A disadvantage of this model is that unlike other platforms we do not control 100 per cent of the transactions made. As a matching platform, we support relations which then can continue independently from us.”

SociosInversores also offers marketing and consultancy related services which complement the support offered to those looking for funding to start or grow a business project or idea and those looking for investment opportunities. The model is explained as ‘freemium’ as it provides a basic service for free but offers the option of accessing other services charged at different rates depending on the chosen plan<sup>32</sup>. The personalised business support and consultancy services range from support with developing a business plan to strategic online marketing and human resource management. Additionally, they are in the process of preparing support material in the form of ‘training pills’ which will provide basic information on topics such as standardised contracts, risks and how to handle investment agreements.

The total number users for this platform as of June 2013 was estimated at 2,461, including investors and entrepreneurs. As can be seen in 5.1, users are predominantly men for both entrepreneurs and investors. In terms of the leading sectors, technology and internet-related projects are the most popular and the most popular locations are Madrid, Barcelona and Valencia. An observed changing trend is that whereas until recently projects seemed to be coming from more experienced individuals (the average age for entrepreneurs is 55 for men and 35 for women), projects by young people in their 20s are becoming more common.

SociosInversores have classified their over 1,400 investors in small (those investing up to €300,000) and large (those investing around €0.5m or more). They calculate there are around 1,100 small investors and 300 large investors. Around 70 per cent of small investors have no previous investment experience whereas large investors include established investors, big businesses, venture capital firms, investment funds and business angels.

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<sup>32</sup> This is a separate fee to the five per cent commission fee on the money exchanged between entrepreneurs and investors.

**Table 5.1: Number of users of SociosInversores by role and gender**

	Men	Women	Total
Entrepreneurs	866	132	998
Investors	1,300	163	1,463
Total	2,166	295	2,461

Source: SociosInversores

The platform has expanded to Latina America where the model seems to be working well and they have now investors and entrepreneurs in both continents. SociosInversores see themselves as leaders in crowdfunding in Latin American markets, with language being an obvious advantage. Nonetheless, they also have participation from other countries including France. Latin America is seen as an important market and area of opportunity due to the growth being experienced by some countries in the regions as opposed what Europe is facing at the moment.

SociosInversores estimate they have contributed to the creation of around 100 new jobs. This figure is calculated by multiplying the number of businesses that have been funded by the platform so far (around 47) by the average number of jobs that they estimate each business creates, which is calculated at around two (including self-employment for the entrepreneur).

In sum, SociosInversores is an internet-enabled platform which allows entrepreneurs to access financial resources from other internet users. In this case, others users are potential investors who might want to learn more about a business idea and contribute to its development with funds and other resources. SociosInversores facilitates collective financing by helping entrepreneurs present and promote their business ideas and allowing members of the public to invest in them. Having discussed the origin and main operation structure of this platform, the next section highlights methodological considerations in building the case study.

#### *5.1.2. Methodological considerations*

Before presenting the findings in relation to the experiences and insights from entrepreneurs and investors that have used SociosInversores, this section discusses methodological issues concerning this case study. SociosInversores was invited by researchers at IER to participate in the research as a case study platform. Once collaboration was agreed, SociosInversores provided IER with names and contact details of twelve potential candidates for the case study. As requested by IER, the entrepreneurs and investors were selected purposefully to reflect some of the diversity of users of SociosInversores, albeit these interviewees would not be regarded as representative. Of these potential candidates, six entrepreneurs and three investors were interviewed. Interviews were conducted by telephone and lasted between 25 and 50 minutes. All contacts were exhausted at this stage and no further interviews were undertaken

Interviews were tape recorded and field notes were made from these interviews for analysis. Participants' consent was sought before each interview took place and they were reassured that their identities would be anonymised. All interviews were based in Spain, so reflecting the majority usage of SociosInversores. Interviewees were given pseudonyms and these are used in throughout the next section:

- Entrepreneurs (6) – Manuel, Nicolás, Pablo, Quintín, Rosa,
- Investors (3) – Óscar, Sergio, Tomás.

Interviews followed a semi-structured format covering the following topics:

- Entrepreneurs – Experience as an entrepreneur, description of their project and how it was conceived, how they came across SociosInversores, experience using SociosInversores, establishing and maintaining contact with investors, risk management, the process of engaging with investors, perceived challenges and opportunities in using internet-enabled

exchanges, skills acquired and useful experiences, implications for employment and employability.

- Investors – Experience as an investor, how they came across SociosInversores, types of projects of interest and why, experience using SociosInversores, establishing and maintaining contact with the entrepreneur, risk management, the process of engaging with entrepreneurs, perceived challenges and opportunities in using internet-enabled exchanges, skills acquired and useful experiences, implications for employment and employability.

As a summary of users' key characteristics, the average age for entrepreneurs is 45 years (ages: 23, 43, 45, 46, 56, 58) and for investors the average age is 37 (ages: 27, 38, 46). It is not possible to provide further details of the interviewees given that they were reassured that their identities would remain confidential. Although this information could be of interest, it is not considered essential in presenting participants' experiences and insights regarding the use of SociosInversores and employability. It is, nonetheless, possible to get an idea of the types of projects and the amounts requested by looking at the information publicly available on the SociosInversores website.

The interviews conducted are the main source of information for the results presented in the next section. Interviews were analysed using a matrix approach whereby interviewees' comments were classified according to emerging topics and then each topic was sub-analysed and developed into sections as presented next.

## **5.2. Experiences and insights of entrepreneurs and investors**

This section presents insights from the point of view of individuals who took part in the SociosInversores case study. The section is organised in six parts and starts with a discussion of entrepreneurs and entrepreneurship from the point of view of the investigation. Ensuing subsections look at how entrepreneurs and investors used SociosInversores and its impact. A summary of key messages is provided at the end of each subsection.

### *5.2.1. Entrepreneurs and entrepreneurship: Developing something new*

Entrepreneurs interviewed had used or were in the process of using SociosInversores to access funding for their business idea or project, which could be at different stages of development. In talking about their projects, they mentioned the context and their own motivation to start a business as relevant factors. As a contextual factor, it was mentioned that the economic crisis facing Spain had led to people who otherwise would not have taken an entrepreneurial role to explore the possibility of starting a business.<sup>33</sup> This includes people who see themselves as having an entrepreneurial personality but also those looking for self-employment through starting their own business.

In terms of motivation, having a business idea to develop is also a factor to want to start a business or develop a project in the first place and then to use SociosInversores to seek funding for it. Rosa, for example, noted that her previous experience and involvement in other projects had led her to develop the business idea for which she was seeking investment funds. She believed in the relevance of her idea and the potential impact it could have on users and this motivated her to take it forward. Similarly, Manuel had a series of product ideas 'parked' and ready to develop. Once he decided to go ahead he dedicated himself to promote the idea and gathered some funding from other sources before turning to SociosInversores seeking for more substantial funds. Manuel saw himself as having an 'entrepreneurial character' (something which was expressed in one way or

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<sup>33</sup> It is difficult to ascertain the exact role of the factors behind the emergence and expansion of crowdfunding. Although the economic crisis is mentioned in the SociosInversores case study in particular, other relevant factors to consider include the development of ICTs (Web 2.0 and digital social media platforms in particular) and the change of behaviour of banks during and after the financial crisis.



another by other participating entrepreneurs) and believed SociosInversores gave him opportunity to take his project forward.

Besides a belief in a business idea, another source of motivation was related to the creation of employment and self-employment. Úrsula mentioned how one of the objectives behind the business she was hosting in SociosInversores was “to create a business that would create employment for myself and employment opportunities for others, either directly or indirectly, and create a range of businesses.” Nicolás, who described himself as a serial entrepreneur with a “strong desire to make things happen”, also mentioned his “obsession to develop projects that generate self-employment”. He estimates that his ventures had led to the creation of, or supported the employment of numerous individuals. The creation of new jobs was relevant for entrepreneurs, although they also recognised that these depended on the sustainability of the business and on it “taking on as expected”.

These points of view come from entrepreneurs with projects or ideas to take forward and seeking credit to make it happen. From the point of view of investors, context and motivation play an important role as well. In this case, the economic crisis was also mentioned as a contextual factor. As Nicolás mentioned, “people don’t have the same options as before [the economic crisis] in terms of investing their savings, and investing in property is no longer an option”. Moreover, besides a change in the options available, attitudes to investment may also be changing. Óscar’s view in relation to this was that:

“People with money to invest are becoming more cautious and expect results, and the economic crisis might be a reason for this change. People want to invest in clear ideas that have demonstrated potential; ideas on which the entrepreneur has already invested time and effort. People have nowadays less money and want to control risk as much as possible.”

In sum, a platform like SociosInversores provides a space for entrepreneurs and investors to interact in relation to business projects or ideas and making them happen. This interaction takes places within the context of an economic crisis, which interviewees believe is influencing entrepreneurship activity. In relation to this, there was also a view that there is a need to create an entrepreneurial culture where individuals are more informed about the procedures, the process and the risks of starting a new business or investing in one. As it was mentioned, there is still has a long way to go and further training and education in relation to entrepreneurship are required. This was mentioned in the Spanish context in which the case study is situated but might be relevant more broadly as well. The next sections look closer at the use of SociosInversores as a resource to support entrepreneurs and entrepreneurship.

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Key messages:	Entrepreneurs using SociosInversores have a business idea they want to take forward.
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The creation of employment and self-employment was mentioned as a motivation factor to want to develop a business idea and also to want to invest in one.

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The economic crisis has changed people's situations and views about investment as well as the options available. In this context, SociosInversores opens alternative investment opportunities.

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### 5.2.2. *Looking for investment opportunities*

The investors contacted mentioned how they came across SociosInversores and browsing through the internet seems to be common and obvious route. The internet provided access to information and for one of the investors it helped to overcome mobility barriers. Hearing about SociosInversores through the internet could be accompanied by hearing about the platform through word of mouth or hearing about it on the news on TV or the press. What the three investors contacted had in common was that they mentioned an active search for investment opportunities and how the internet played an important role in this respect. There seemed to be a degree of trust in using the internet and it was seen as a viable route; at least two of these investors had successfully found investment opportunities through the internet in the past, either through SociosInversores or other sources.

The advantages of using the internet to look for investment opportunities included the possibility of having access to potentially profitable businesses and also of supporting potential entrepreneurs through funding their projects. SociosInversores was seen by Sergio, an investor, as a “good summary of what is out there” in terms of investment opportunities and it made the process of searching through the internet easier. He had been successful in the past in finding investment opportunities through the internet and now he used SociosInversores. In addition to this, the platform showcases a range of projects, including smaller ones which may attract the attention of non-accredited investors. As the founder of the platform mentioned, these investors may decide to finance a project “because they like it, they have always wanted to do it, or they have a gut-feeling about it” and differ from large investors or business angels who seek mainly a profitable business. In this way, the platform provides investors the opportunity to support projects for the revenues they may generate as well as for personal or other reasons.

In seeking opportunities, investors may be looking for a business in which to invest without being directly involved, or they may be looking for a business in which they can participate more actively. Participation can thus range from taking a mentoring role to becoming involved in the day-to-day activities of a business. This varies from investor to investor but also an investor may decide to get more involved in some projects and less in others within his or her own portfolio. For example, one of the investors mentioned that at the moment he was seeking a purely investment opportunity as he had already committed his time to another project and did not have time to help in developing or running a venture. On the other extreme, those with money to invest may be looking for projects in which they can get involved and in doing so become self-employed. As an investor mentioned:

“Some people are seeking, through the platform, to in a way find employment, or self-employment. They seek projects in which they can participate and develop a day-to-day activity, like a restaurant or a logistics enterprise.”

Investors seemed already avid users of the internet and SociosInversores facilitated the process of searching for investment opportunities. The platform acts as an intermediary and investors mentioned that they not only browse through the webpages of the platform but that they also “constantly ask for information about projects”. Óscar mentioned how there is, of course, a process of studying the business idea and its feasibility and, as is discussed below, of negotiation. This is responsibility of investors together with the entrepreneur although SociosInversores can support the process. In all, SociosInversores offers investors a portal which groups viable projects in which they can invest. As Sergio put it:

“The main idea and the reason why I looked into SociosInversores is its aim to address the need for small projects to gather investment funds and which can be done via crowdfunding. SociosInversores groups together all the projects that are available online and in some way filters the best ideas, the most realistic projects”

Investors’ confidence and trust in SociosInversores is an important element that supports its use. It was suggested that the platform is becoming more selective and that the number of projects not deemed ready to be showcased is increasing as the platform develops and becomes more

successful. Possible reasons for rejecting a project include unclear or unrealistic aims, or underdeveloped ideas. Moreover, to invest in a project there must be trust between the investor and the entrepreneur. Having a clear and transparent project description is important to generate confidence. Óscar commented how not sharing enough details about a business idea or providing fragmented information about a project deters investors. Another investor highlighted the importance of this for generating trust in the platform since, “after all, SociosInversores somehow put their seal of approval on a project once they decide to publish it”.

SociosInversores is a portal that investors can use to find business investment opportunities. Confidence in using the internet was evidenced by the use of the platform and also by previous internet activity. For investors, SociosInversores does some of the work that they already do on their own in terms of searching for investment opportunities. Its service is seen as grouping business opportunities and presenting them in such a way that investors can browse and choose those which they would like to explore further. Other aspects of the service are discussed below. The next section looks into what entrepreneurs look for in using SociosInversores.

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Key messages:	For investors, one of the advantages of using SociosInversores is that it gives access to a pool of potentially profitable businesses.
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Investors may look for a business in which they can invest without being directly involved, or they may look for a business in which they can participate more actively.

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For investors using SociosInversores, trust in the platform as an intermediary is an important element. Prior to this, investors seemed already avid internet users.

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It was suggested that the platform is becoming more selective and that the number of projects not deemed ready to be showcased is increasing as the platform develops and becomes more successful.

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### 5.2.3. Looking for a partner (the entrepreneur side)

While investors look for investment opportunities, entrepreneurs look for partners willing to invest or collaborate in their business. As was the case for investors, browsing through the internet also played a part in entrepreneurs coming across SociosInversores as did their entrepreneurial character. In relation to this, Úrsula mentioned: “I am always looking for new business models, and ideas and ways of working and that is how I came across SociosInversores”. In particular, SociosInversores provides entrepreneurs with the possibility of an alternative source of funding where traditional sources such as banks are not a viable or desirable option. As Manuel explained:

“Looking for options I came across SociosInversores over the internet and got in contact with them. They explained to me the model of their financing option and I decided to go ahead with them as it seemed that there was nothing to lose.”

Before coming to SociosInversores, Manuel had explored other sources of funding such as government grants which provided some cash for his business. However, none of them resolved his need for cash flow.

Through using SociosInversores entrepreneurs hope they will be able to find a business partner. What the platform offers is a network of potential investors and it opens up the possibility of finding one that will be willing and able to contribute to their project with credit and other input.

Contrary to reward-based crowdfunding where the aim is to gather the support of as many backers as possible, having fewer investors is seen as the best option in this case as this allows for better coordination and integration. As an investor put it: “When there are various investors contributing to one project, when things go wrong no one takes responsibility”. Alongside these expectations, entrepreneurs use other resources to try to find potential investors such as their own business networks outside the platform or accessing other information available online.

The process of looking for a business partner through SociosInversores starts with learning about the platform. However, before any further engagement takes place, users must feel it is safe to use the site and that it can be trusted. Several factors contribute to this and encourage users to get in touch, and subsequently to actively use SociosInversores. Firstly, the platform was seen as “very professional” in terms of the image it conveys through its webpage. Highlighting awards that SociosInversores has received from the Spanish government and the positive reviews from the media contribute to its credibility. Secondly, it was mentioned that this impression was reinforced by subsequent communication and the support provided by the SociosInversores team thereafter. An interviewee mentioned that in his view SociosInversores were

“serious in relation to working with entrepreneurs and demonstrated this in several ways. Other [providers of similar services] only post your page on the internet and wait and see what happens next.”

In looking for a business partner, entrepreneurs may be interested in someone willing to inject capital to the business or project in exchange for a share of the profit or return on their investment. This can be seen as one extreme in a continuum where little or no involvement is being sought by the entrepreneur. One of the investors contacted mentioned that this was the type of contribution the entrepreneur he contacted was originally seeking, although this was not the final arrangement reached. On the other extreme entrepreneurs may be looking for someone willing to take over certain functions in the business or possibly willing to take over its day-to-day running. Úrsula, for example, was open to exploring these options and someone seeking to invest only capital in her business was certainly not what she was looking for. In between these extremes:

“There are projects where entrepreneurs seek more input from investors. These projects usually involve young people who don’t necessarily need help with day-to-day tasks but need (and welcome) some mentoring and support; they seek more actively participating investors.”

In any case, it was made clear that building a partnership is a process of negotiation and that what investors and entrepreneurs commit to is ultimately agreed by both sides. In the investor’s case mentioned (where the entrepreneur was looking only for capital investment), the negotiation process led to an agreement whereby the investor would have a share in the business and would be presented with information about its performance at regular intervals and where there would be opportunities for discussing its progress. In other cases it was also evident that a process of negotiation had taken place as was expected.

Overall, there is evidence that the internet was already being used by entrepreneurs and investors to access opportunities, funding and partners. There are several resources to assist in this and they include web browsers, digital social media and crowdfunding and consultancy platforms such as SociosInversores. Through SociosInversores entrepreneurs look for individuals interested in their projects and who can become business partners and investors. The process starts with learning about the platform and trusting it. There is variation in the degree of involvement entrepreneurs seek from their potential partners and this is something that will be negotiated in due course. In the end, as it will be discussed in the next sections, looking for investors or business opportunities is the start of a process which opens the possibility of advancing business ideas or projects.

Key messages:	Entrepreneurs were also avid internet users and browsing through the internet played a role in them coming across SociosInversores.
	SociosInversores gives entrepreneurs access to a network of potential investors and opens up the possibility of finding one that will be willing to contribute to their project with credit and other input.
	Building trust in SociosInversores starts with the image of its webpage and the information it conveys. Subsequent communication with members of the team provide reassurance of the seriousness of the business.
	There is variation in the degree of involvement entrepreneurs seek from potential investors; what investors and entrepreneurs commit to is ultimately agreed by both sides in a process of negotiation.

#### 5.2.4. *Using SociosInversores*

As a platform, SociosInversores puts into contact the investor and the entrepreneur. They also mediate the relationship and provide support in other ways. They accompany the partnership during the first few months and keep statistics about the business. This service can be complemented with other forms of support. Investors may need support assessing potential projects, or entrepreneurs may have a business idea but may not be clear about how to develop it. SociosInversores can provide support in this respect and once a contract has been signed they may continue to be involved in the evolution of the business relationship. SociosInversores, nonetheless, does not take part in the decision making of the contract or the day-to-day running of businesses, although they do provide support and consultancy.

Using SociosInversores involves a different process for entrepreneurs as it is for investors. For the latter, the process involves looking for a project to invest in and making contact with SociosInversores (although the order could be reversed). Investors approach the platform and get in contact because they want to invest in a specific project and/or to explore what options are available to them. In response to this, a business analyst from the SociosInversores team liaises with investors to understand their profile in terms of the amount they want to invest and their preferred sector and location. Then the business analyst puts together a package of suitable projects which includes a description of proposed businesses and relevant data.

Investors will then consider the feasibility of the proposed businesses based on the information provided, information that they gather from other sources and their experience. Óscar, for example, mentioned that he constantly asks SociosInversores for information about projects. He saw potential in one of them and considered the business idea carefully by considering the business model and whether it was potentially profitable. He examined other similar cases and finally calculated that the business was feasible and that there was “potential to make money from [a business] like this”. Subsequently, he got in touch with the entrepreneur via SociosInversores and they entered in negotiation and eventually reached an agreement.

Entrepreneurs represent the ‘other side’ and, as mentioned in the previous section, the main reason for their use of the platform is to find business partners (investors and collaborators). This means that they have a business idea already in mind, although its degree of development and type of project can vary widely and this determines the amount of support they need. For example, Manuel

found the use of the platform very straightforward. He had already taken part in an entrepreneurship course and this had helped him develop himself as an entrepreneur and to develop a business plan which was ready to be uploaded on the website. Rosa and Úrsula, two other entrepreneurs, also approached the platform with a well-developed business in mind and experience in communicating it to potential investors. Pablo, on the other hand, received some help in developing and polishing his business plan and how to present it on the webpage of the platform.

Image and first impressions of the platform are important. However, in using SociosInversores other factors are considered to decide whether the platform can be trusted further. In other words, if entrepreneurs considered the platform because of its image and professionalism, future involvement will need to reinforce this. In addition to these, interpersonal communication is also an important element and Nicolás talked about the importance of being able to establish personal contact with people behind the platform. Also, according to other entrepreneurs contacted, working with SociosInversores was straightforward as they have clear guidelines in terms of procedures and terms and conditions. As one of the entrepreneurs contacted mentioned:

“I got in touch with [SociosInversores] and I was impressed by their business, their responses, their professionalism. I found they had a protocol, a methodology, in their way of working, a process. So we agreed how to move forward very swiftly. We haven’t met personally but communication has been very efficient by email and phone.”

Two other salient factors were mentioned in relation to generating trust. The first refers to the platform having a team of analysts looking into the feasibility of new projects and looking at entrepreneurs and investors’ records for any irregularities such as convictions or debts. According to the founder of SociosInversores, “there is a lot of work that goes into this and this is a very important part of the process”. However, there are limitations to this, including the cost involved, and users of the service are ultimately responsible for the decisions they make and the associated risks. Verification was described in the following way as part of a longer process of building confidence:

“Verification depends on the investor, what they request and the amount that is being considered; the business reports are available but they cost money and the investor may have to pay for some of them. As for the entrepreneur, they may ask for a ‘letter of intention’ from the investor or possibly some advance of the money (reimbursable) to disclose further information about the business. What they want to see is a serious intention to participate in the project. The process continues from this on with further meetings and information exchanges and as this happens both parts continue to develop confidence in each other.”

The second factor refers to the fact that the platform ‘does not touch’ any money between investors and entrepreneurs. As was mentioned in Section 5.1.1, SociosInversores only act as an intermediary between entrepreneurs and investors. The founder of the platform indicated that this helped to generate trust in SociosInversores, albeit it also meant that they had less control over the transactions made compared to platforms with different crowdfunding models. Overall, trust using the internet also plays a role and from the platform perspective it was expected that “that in the future people will feel even more at ease using online services like this”.

Success in using the platform is defined, for entrepreneurs, in terms of finding the target funding to take forward a business idea. From the point of view of investors, success is defined in terms of finding a suitable investment opportunity. For example, Tomás was able to find a project with “potential for growth given the business idea and the experience of the entrepreneur, [i.e.] someone with good connections and experience in the area, capable of making the business succeed”. However, SociosInversores cannot guarantee that all projects showcased will reach their goals or that investment opportunities will be profitable.

From the perspective of entrepreneurs, finding a business and investment partner can lead to the realisation of a project. Nevertheless, two of the six entrepreneurs contacted mentioned that, at the time of the interview, they had not been able to find a partner willing to invest in their businesses. There was mix of uncertainty and hope relation to this. On the one hand, uncertainty came from not knowing whether the platform was suitable for a specific project, whether the 'right' actions were being adopted, and from not knowing when, if ever, an investor would materialise. Contrary to other forms of crowdfunding, entrepreneurs were not hoping for a large number of investors to show interest and one or two investors was seen as the ideal outcome since that allows for relationships to be consolidated. However, there was some sense of disappointment from failing to generate interest so far and there was an indication that more information about what to expect would help users deal with this situation.

On the other hand, hope came from the possibilities that SociosInversores opens for entrepreneurs. For one of the entrepreneurs contacted, one of the main benefits of SociosInversores is that it opens up the possibility of accessing finance for business projects in a climate in which credit through traditional means is almost impossible. He mentioned that:

"If it wasn't for SociosInversores I wouldn't be able to aspire to develop my business. I cannot access any traditional form of finance. SociosInversores publicises my business plan and makes it visible to potential investors who might be interested in working with me."

This section looked at what it means to use SociosInversores from the perspective of investors and entrepreneurs. The platform acts as a matching service for these two actors and enhances this service with other sources of support, including consultancy and other business support services. The trust developed initially is strengthened by using SociosInversores and working with its team. In spite of this, SociosInversores cannot guarantee that users will be able to find the match they are looking for through the platform as this depends on other factors coming together. Nonetheless, for some the platform is a source of hope. The next section looks at the process of finding a business partner and building a relationship.

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**Key messages:**

SociosInversores accompanies partnerships during the first few months and keep statistics about new businesses. This service can be complemented with other forms of support.

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Users of SociosInversores trust the platform will carry out a verification process about new businesses and investors and serve as an intermediary. It is, however, not possible to eliminate risk, including the risk associated with starting a new venture.

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The fact that SociosInversores does not get involved in monetary transactions concerning business investments was seen as a factor that contributes to building trust in the platform.

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Entrepreneurs that had not been able to find investors for their business mentioned that more information about what to expect or how to proceed would help them in dealing with this situation.

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One of the main benefits of SociosInversores is that it opens up the possibility of accessing finance in a context in which it is hard to access credit through traditional routes such as banks.

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### 5.2.5. *Finding a partner and beyond*

This section looks at issues that emerge as users of SociosInversores find an investment opportunity or a business partner. As mentioned above, not all users are able to find a business partner, be it an investor or a project to invest. For example, two of the entrepreneurs contacted mentioned that their projects had not generated interest yet and another one had, at the time of the interview, gathered fifty per cent of the funding sought. SociosInversores facilitates interaction and the formation of new business partnerships which depend, as said, ultimately in a range of factors. This section discusses what happens once the two parts meet and the interaction that ensues.

Finding a business partner, or 'finding a match', is an uncertain process. The needs of all those involved have to be met for an agreement to be reached. In spite of the uncertainties, crowdfunding platforms such as SociosInversores support entrepreneurs by giving them exposure to potential investors, and increased exposure is expected to increase the probability of finding a match. One of the entrepreneurs mentioned that through the website he was able to find several investors interested in his project but in the end he chose to work with only one of them. The needs of the business and the resources that the investor was able to bring to the partnership played a role in this decision. The investor in question was willing to take a more active role in the business and to commit his time and experience to it in addition to financial resources. In this way, the platform provided him with a way to access funding as well as a business partner.

Establishing a connection between investors and entrepreneurs begins with making contact through the platform. As one investor put it: "I made contact with the entrepreneur via the [SociosInversores] website. To begin with we were given each other's' email addresses and then we started the negotiation." This is followed by a process of communication, generating trust, reaching an agreement and building a partnership. The process and the first stages of communication are meant to help both parts to decide whether they want to enter a business relationship. Of course, the process can be truncated at any stage as the needs and situation of both sides will play a part in how the relationship evolves. Moreover, building a partnership involves a learning process which involves both learning about the business in question and about entrepreneurship and business management in general. In relation to this, one investor commented that "the only problem has been our inexperience" in the sense that as amateur investors and entrepreneurs they learned as the business relationship was being built.

Communication can be by telephone, email, online and in person. A common sequence of events includes an email message and/or telephone call followed by a meeting in person. At each stage different aspects of the business and mutual expectations are discussed. Potential partners will discuss the business in more detail as well as the terms of the partnership. The latter include the amount required for the business, how the money will be used, how it will be transferred, how investors will share the revenues, the latter's role in the business, communication and information exchange strategies and potential risks, among other factors.

ICTs make it possible for the relations to take place at a distance. For example, an investor made the following comment in relation to investing online:

"I am participating in the business as an investor only and I have legally a percentage of participation, which will generate revenues for me accordingly. I have care responsibilities and cannot travel so I am happy investing online."

Besides ICTs enabling interpersonal communication, project documents (including contracts) and updates can be exchanged online.

Nevertheless, there was also a view that there will always be a need for face-to-face contact in order to strengthen a business relationship and make it work. One of the investors mentioned that investing in a business which you cannot oversee on a regular basis due to it being in a different location could be problematic. He said that although "the internet, Skype, etc. allow you to communicate at a distance there are nuances that cannot be communicated but in person". An



entrepreneur also mentioned that ICTs help to overcome distance barriers to some extent but recognised that there is also need for personal contact to realise business relationships.

While the role of SociosInversores is that of an intermediary and facilitator at the outset, their participation is expected to diminish as investors and entrepreneurs come to an agreement or make decisions about their relationship. In relation to this, an investor made the following comment about his relationship with SociosInversores:

“The relationship now that I have established contact with the entrepreneur is mainly with the entrepreneur rather than with the platform because I am not looking for more projects to invest at the moment. The website is like a dating website, or job search website where businesses look for employees and people can look for work.”

SociosInversores thus facilitates internet-enabled exchanges between entrepreneurs and investors and their role is to put together relevant information that can be accessed and used by both parts. The platform offers other consultancy and business services but ultimately their role is not to be involved in the day-to-day activities of the businesses they support or to make decisions with regard to partnerships. Moreover, the service provided increases the probability of investors and entrepreneurs finding a match, or a suitable business partner. There is no guarantee, however, that this aim will be realised given that this outcome depends on a range of factors including the characteristics of the enterprises in question, the context, and the aims, resources and visions of both investors and entrepreneurs.

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**Key messages:**

Finding a business partner and establishing a relationship is a complex process which starts when investors and entrepreneurs are put in contact. This is followed by a process of communication, generating trust, reaching an agreement and building a partnership.

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Investors and entrepreneurs will start by getting to know each other and exchanging information about the project in question. Communication will typically start with an email message and/or telephone call followed by a meeting in person. Further communication will take place in any of these forms.

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A platform like SociosInversores makes it possible for investors and entrepreneurs in different locations to work together. Nonetheless, the challenges of long-distance business relationships were also mentioned.

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#### *5.2.6. Resourcing a business need or idea through SociosInversores and managing the risk*

The main concern for those using SociosInversores as an internet-enabled exchange is to find resources (such as capital, mentoring, a business partnership) to develop a business project or idea. In seeking to resource a business idea through SociosInversores, users of the platform can develop skills. For example, Pablo mentioned that through working with SociosInversores he has refined his skills in preparing business plans and has given it more thought to developing his ideas. He has also developed skills in how to communicate his business project better. The most important aspect of his relationship with SociosInversores has been the potential to access capital for his business.

SociosInversores contributes to the process of finding financial resources for businesses. An entrepreneur mentioned that without the resources (monetary, contacts) that he had accessed through SociosInversores he would not have been able to get his business started, or at least it would have been “very complicated”. Timing is also very important, particularly for technology-related or digital projects, and this same entrepreneur acknowledged that it all “happened at the

right moment”. However, besides the resources provided via SociosInversores, users also work hard to secure funding and generate interest in their projects through other channels. For example, users mobilise their networks outside the platform seeking for business partners or investment opportunities and also access other internet sites.

Managing the risk is relevant in the process of resourcing a business, both for investors and entrepreneurs. The process of managing the risk starts from the moment the search begins and users will question the information they come across in using the internet and will look for signals that a website or platform can be trusted. These risks were discussed above. Other risks associated to entering a business partnership were also mentioned. One of the investors contacted said that there “are risks in collaborating with someone you have just met and there may be frictions in the relationship. It is difficult to get to know someone in a few interviews.” SociosInversores support in facilitating, for example, a space for the first few meetings. On their part, investors seek as much information about the business and assess the amount they are willing to invest. One of the investors also mentioned that, as a rule, investors should not risk more money than what they can afford to lose.

This last section emphasises the fact that entrepreneur users of SociosInversores see the platform as a service that can assist them in finding funding for a business idea or project. In this process it might be possible for entrepreneurs to develop skills or to have a learning experience. This was an important element to explore from the point of view of the study. However, this was not the main concern or the main impact reported by entrepreneurs in relation to using the platform. Likewise, for investors, developing skills or learning from the crowdfunding experience was not high up in their agenda and their main concerns included finding suitable investment opportunities and finding ways of managing the risks associated with making business with people they have met online through a crowdfunding platform. A platform like SociosInversores does not make these risks disappear but does provide some tools and resources to help manage business relationships and information exchanges using ICTs.

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Key messages:	The main concern for those using SociosInversores is to find resources (such as capital, mentoring, a business partnership) to develop a business project or idea.
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A platform like SociosInversores supports entrepreneurs in accessing these resources by showcasing their projects to a pool of potential investors. Alongside this support, entrepreneurs work to develop their business ideas and mobilise their own networks.

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Another concern for investors and entrepreneurs is managing the risks associated to starting and investing in new business and of building a partnership with a recent acquaintance.

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### **5.3. Summary of main findings**

The views presented here are indicative of some of the main concerns facing users of SociosInversores. The participants do not constitute a representative sample of the user population but they reflect some of the diversity of users: investors and entrepreneurs; successful projects and those which had not reached their goal by the time of the interview; men and women.

SociosInversores is an equity-based crowdfunding platform founded in Spain in 2011. The platform was developed with the idea of supporting the matching of entrepreneurs with capital investors. SociosInversores charges a commission on the money invested in a project or business idea but

does not get involved in the financial transactions between investors and entrepreneurs. The platform offers other consultancy services which have continued to evolve as the platform continues to be developed.

Entrepreneurs contacted mentioned that the context and their own motivation to start a business were factors that led them to explore the idea of becoming entrepreneurs and subsequently of using SociosInversores. The European financial crisis was the main macro-contextual factor mentioned; on a more personal level, difficulties in accessing credit via banks and other traditional means also played a role in exploring alternative funding options. Having a well-developed business idea gives entrepreneurs confidence and determination and serves as a drive to look for ways of taking it further.

Investors and entrepreneurs expressed being confident in using the internet and came across SociosInversores through this channel, although word of mouth and the press also played a role. For investors, SociosInversores provided access to potentially profitable businesses; for entrepreneurs, the main service they accessed through platform was the opportunity to display their business project or idea to the online community and to communicate their funding needs. The platform also offers other consultancy services such as business development support and strategic online marketing.

The platform makes it possible for entrepreneurs and investors to find about each other. However, potential business partners do not commit to participation in a project over the internet via the platform. SociosInversores puts them in contact and thus gets started a process of negotiation that may lead to a business partnership. The decision of whether to come to such an arrangement is down to investors and entrepreneurs who must negotiate their own terms and conditions.

The partnership created between investors and entrepreneurs will be shaped by their resources and what they are seeking to achieve from the relationship. On one extreme, the relationship can be such that investors' participation involves solely injecting capital into a business and that the entrepreneur takes full responsibility of running the business and of the decision making process. On the other extreme, investors may be seeking an investment opportunity in which they can participate by taking part in the day-to-day running of the business. In practice, most case will fall somewhere between these two extremes. Even where investors are seeking relationships involving mainly commitment of capital, there will be some degree of involvement such as keeping up to date with business accounts and with any changes in the business. Moreover, although there are cases where investors and entrepreneurs decide to work together in a business which also provides both of them with a source of self-employment, there are countless possible variations to such an arrangement and the terms will be decided by the parts involved.

The issue of trust emerged as important from the point of view of investors and entrepreneurs. The online image of SociosInversores generates the first impression of trust but this must be followed by other actions which will reinforce this image. A well-developed website, established communication protocols and professionalism in dealing with clients contribute to this. In addition to this, users contacted mentioned that they rely on the platform to some extent to verify that the projects that are showcased on the website are bona fide and that investors are serious in their exploration of investment opportunities. Personal contact with members of staff from SociosInversores also contributes towards generating confidence and prompt responses to emails and other forms of communication were seen as crucial in generating and maintaining trust. Nonetheless, the role of SociosInversores is limited in terms of the relationships and partnerships that may ensue and users are prompted to take reasonable measures to deal with the risks associated to entrepreneurship, both from the side of investors and entrepreneurs.

## 6. CSV CASE STUDY: DOIT.ORG

### 6.1. Introduction

The website [www.do-it.org.uk](http://www.do-it.org.uk) (henceforth referred to as Do-it) is the largest volunteering database in the UK where organisations can advertise volunteering opportunities and individuals can search for suitable volunteering roles, including virtual volunteering roles undertaken from home or the computer. This exploratory case study aims first to describe the website's development over time and secondly to research in more depth the experience of a small number of organisations and online volunteers using Do-it to advertise or search for online volunteering roles. The empirical part of the study addresses the following key research questions:

- What is the role of this website in advertising or finding volunteering opportunities? (attractiveness, other alternatives)
- What does the online volunteering role entail and how are online volunteers managed?
- What is the motivation for engaging in online volunteering?
- What other activities are undertaken alongside online volunteering? What is the time commitment to online volunteering over the short to medium term?
- What are the advantages / disadvantages of online volunteering?
- What skills and social networks are being developed and what is the role of training/mentoring in this?
- Does online volunteering offer opportunities to enhance the individuals' employability?

An underlying aim of the case study was to provide rich description.

#### 6.1.1. *Research design and methods*

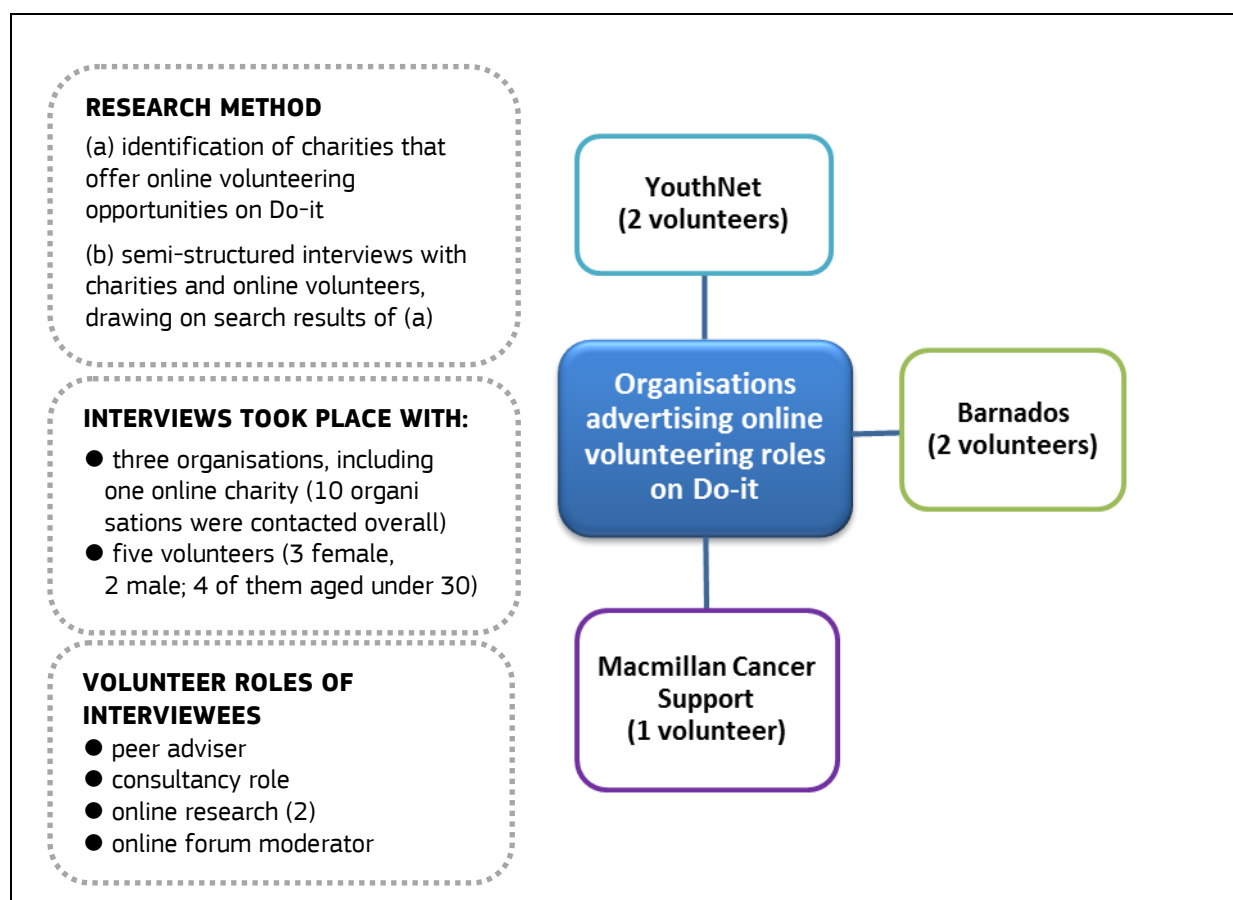
The case study targeted charities which are advertising online volunteering roles at Do-it. In order to widen the net, the study also screened charities which are known to directly post their volunteering opportunities on Do-it but may not currently advertise any on the platform so long as there was some evidence that they offer online volunteering opportunities.<sup>34</sup> Moreover the aim was to select charities offering different types of services and a range of online volunteer roles between them. Within each organisation, one or two online volunteers covering different roles were targeted, with the help of a volunteer manager.

This case study is based on four interviews with three voluntary organisations and five interviews with volunteers drawn from all three of these organisations (see Figure 6.1 below). Interviews lasted between 25 and 60 minutes and were audio-recorded, following permission by the interviewee. Two interviews took place face to face and the remainder were telephone interviews. The thematic analysis of the data was based on the comprehensive interview notes. Section 6.2 also draws on pertinent documents published by YouthNet on Do-it.

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<sup>34</sup> Online volunteering is also advertised through channels other than Do-it. This includes the websites of large national charities seeking to directly recruit (online) volunteers. Moreover, some large charities offer online volunteering programmes for corporate sponsors but may not advertise for these roles on Do-it. Other organisations may use other UK websites. One example is an organisation that advertises a significant number of online volunteering opportunities on <http://www.volunteering-wales.net/> as it is located in Wales; this website does however not appear to allow searching for virtual or online volunteering opportunities.

**Figure 6.1. Research design and case study participants**



Despite the net having been cast wider, including for example organisations which were thought to have few online volunteers based on upfront online searches, fewer organisations than the targeted five took part in the case study within the set timeframe. Co-operation among organisations was not always forthcoming for a number of reasons, including time pressures (e.g. new project launch or entirely volunteer run organisation) or because the organisation either had few online volunteering roles or had not used Do-it for a quite some time.

It should be noted that organisations advertising via volunteer centres on Do it, have not been approached, as this would have added another layer of negotiating access in many instances. However, volunteer centres are important partner organisations of Do-it. Moreover, they may advertise on behalf of smaller charities for whom Do-it may be very important to reach a wider group as their website, if one exists, may not be well known, be in development or not constantly up-dated.

#### 6.1.2. Brief overview of participants taking part in the study

Tables 6.1 and 6.2 provide anonymised details of the organisations and the volunteers respectively who took part in the study.

**Table 6.1: Characteristics of organisations (n=3)**

Sector of the charity according to the International Classification of Non-profit Organisations	<ul style="list-style-type: none"> <li>• Social services (youth services and youth welfare)</li> <li>• Social services (child welfare, child services, day care)</li> <li>• Health</li> </ul>
Relative numbers of online volunteering roles	<ul style="list-style-type: none"> <li>• high</li> <li>• high number of e-campaigners but otherwise low</li> <li>• low</li> </ul>
Total number of volunteers (face to face and online)	<ul style="list-style-type: none"> <li>• 1-499 volunteers: 1 (around 200)</li> <li>• more than 10,000 volunteers overall: 2</li> </ul>
Use of Do-it	<ul style="list-style-type: none"> <li>• default: 1</li> <li>• selectively: 2 (own website for searching opportunities by postcode)</li> </ul>

**Table 6.2: Characteristics of online volunteers (n=5)**

Gender	<ul style="list-style-type: none"> <li>• 2 male</li> <li>• 3 female</li> </ul>
Age	<ul style="list-style-type: none"> <li>• &lt;20: 1</li> <li>• 20-29: 3</li> <li>• 70 plus: 1</li> </ul>
Employment status	<ul style="list-style-type: none"> <li>• Transition from education to education: 1</li> <li>• Transition from education to work: 1</li> <li>• Work and education/training (full-time work and education; part-time work and education): 2</li> <li>• Retired: 1</li> </ul>
Time in current online volunteering role	<ul style="list-style-type: none"> <li>• Up to 6 months: 1</li> <li>• 1-2 years : 4</li> </ul>
Time spent online volunteering in a four week period (est.)	<ul style="list-style-type: none"> <li>• Up to 3 hours: 1</li> <li>• Up to 7 hours: 3</li> <li>• &gt;16 hours (4 sessions at 4 h/w plus sessions in between): 1</li> </ul>
Previous and current volunteering activities	<ul style="list-style-type: none"> <li>• First volunteering activity, no other volunteering activities: 1</li> <li>• Previous face-to face volunteering experience: currently focusing on online volunteering role: 1</li> <li>• On-going previous face-to face volunteering and currently also volunteering online (including one who is expanding the volunteering portfolio): 3</li> </ul>
Used Do-it platform to find this role*	<ul style="list-style-type: none"> <li>• Yes: 2</li> <li>• No: 3 (role found through other website; relative; network)</li> </ul>

\* Note that although the role was advertised on Do-it, but people may have learned about it through alternative channels.

Following an overview of Do-it in Section 6.2, the experiences of organisations using the website to recruit (online) volunteers are explored in Section 6.3 and those of online volunteers in Section 6.4.

While the selected online volunteering roles have been advertised on Do-it, the volunteer may have learned about this role in a variety of ways, including through the website itself.

## **6.2. Do-it: Aims, developments and user information**

### *6.2.1. Overview of Do-it*

Do-it was launched in 2001 by the online charity YouthNet to help young people find volunteering opportunities on the internet. It now has just under one million registered users. Do-it is an online broker for organisations seeking to recruit volunteers and volunteers seeking suitable opportunities. Once the two parties have established contact through the website, Do-it no longer plays a part in the brokerage. While Do-it offers volunteering opportunities UK-wide, the majority of its opportunities are in England. Moreover, the majority of opportunities on Do-it are reported to be posted by local Volunteer Centres on behalf of other charities in England. In addition, a range of organisations, including large established ones and also some young small charities, post them directly onto Do-it.

When the service was developed, there were found to be no comparable services in the UK and no models from overseas that were “immediately transferable”, recalled the YouthNet representative.

“With the support of the government at the time and other forward thinking supporters we were able to create the infrastructure with partners to start developing a database to search online opportunities available to volunteer across the UK. (...) There was nothing that was drawing in the wealth of opportunities that existed within the UK sector that would be of interest to people. So if it were to be about creating a website it had to be around having data coming in around [volunteering] opportunities to launch it. That was very unique and that led to investing in volunteer centres.”

As a result, volunteer centres were equipped with computers and modems and bespoke software needed to be developed to enable volunteer centres to manage both volunteers and organisations seeking brokerage through the volunteer centre while also enabling volunteer centres to upload the opportunities onto Do-it. It was stressed that nowadays there might be more software available the organisation could have built on and integrate with API (application programming interface).

Providing the service online was seen as key to facilitating volunteering, particularly in terms of assisting young people in finding suitable volunteering opportunities. The online service was seen as “very ahead of its time” as there was some recognition then that in future online information would become more important.

Since user numbers have increased substantially over the years, YouthNet has now decided to focus on its mission to provide services for young people as both the need to continue to raise funds and to continue to innovate the Do-it platform takes up resources, as the YouthNet representative explains:

“Whilst we are passionate about volunteering and virtual volunteering Do-it has now grown so big and so successful that it has outgrown our mission. Securing funding takes away a lot of attention from funding for other services. Also I believe that Do-it needs to be owned by someone fully focused on volunteering because there are exciting opportunities where they can continue to evolve in.”

Therefore, a process has been put in place for the platform to transfer to a new owner by the end of 2013. It has only recently been announced that Do-it will transfer to a new partnership, consisting of ivo.org, Believe.In, Blue Dot, Prospectus and Vivo. Support will also be provided by a range of other organisations and groups, including the Tinder Foundation, their network of UK Online Centres, TimeBank and a Volunteer Centre advisory group.<sup>35</sup>

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<sup>35</sup> <http://www.YouthNet.org/2013/08/exciting-futures-as-YouthNet-announces-intended-new-owner-for-do-it/>

### 6.2.2. Technology and software deployed by Do-it

Continuing investment has been made in technology and software for the platform to ensure that it is kept up to date and meets users' needs.<sup>36</sup> Do-it has also been working on a new service which allows Do-it partner organisations to search for suitable volunteers within the Do-it database (e.g. registered volunteers with particular skills). Do-it also works on integrating its website with Facebook so that volunteers can highlight their activities on the social networking site.

In a nutshell, the technology has been described as follows by Do-it:

“Our web-based services are built in a Java/Spring environment, and we use an Oracle 11g database (...). We operate a Solaris zone based system at application level, and we have multiple physical application servers to ensure we have adequate failover and a staging environment that mirrors the production. (...) We make use of third-party services such as Postcode Anywhere to convert postcodes and locations into geographical references.”

(Source: <http://www.YouthNet.org/about-do-it/>)

In comparison, internet platforms run by other organisations (e.g. crowdsourcing for paid work) are making use of more advanced software applications and interactive features.

In order to upload their volunteering opportunities onto the Do-it website, organisations typically use one of two main software programmes (*V-Base* or *Do-it Recruiter*). The first option, developed in partnership with volunteering agencies, has been primarily designed for volunteer centres (also offering a volunteer management tool) and the second one is primarily for national or regional organisations recruiting volunteers directly to their organisation. Other options enable the organisation to upload their volunteering opportunities simultaneously to Do-it and onto their own website (syndication, currently used by around 30 organisation) or to upload an existing database of volunteering opportunities onto the Do-it website (new service called uploader). There is a staggered fee depending on the annual income of the organisation and the type of package the organisation chooses. Taking V-Base and Recruiter as an example the software is free for small organisations and the costs rise to a couple of hundred pounds for the larger organisations. The other two options are more expensive, rising to £1,000 and £5,000 for the largest organisations. Training (at an additional cost) and user support (free of charge) is provided by Do-it.

### 6.2.3. Funding of Do-it

Do-it continues to receive core funding from the Office for Civil Society, which is part of the Cabinet Office (a UK central government department). Moreover, it attracts project based funding for new development activities (largely funded by central government departments or other public sources, e.g. the Department for Work and Pensions, Department for Health, Big Lottery Fund) and relies on in-kind support from organisations (e.g. from Oracle for the software implementation and from Imperial College for hosting the server). Fees from organisations using the software to upload the volunteering opportunities only constitute a small part of its funding portfolio as fees have to be set at a price organisations can afford to pay.<sup>37</sup>

However, funding from central government will cease by the end of March 2016. Up until that time funding, if requested by the new owner, may be made available, subject to the outcome of the forthcoming spending review.<sup>38</sup>

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<sup>36</sup> In 2010, Do-it began to embark on a major redesign of its website, in part driven by the need to handle further increases in demand. Changes included the move from Oracle 9i (which is no longer supported) to Oracle 11g and have resulted in a more robust service and speedier searches. While the redesign was completed after 18 months by the end of 2011, further developments followed, such as the launch of the new software (V-Base 3.0) for posting opportunities onto the Do-it website.

<sup>37</sup> For a detailed overview see YouthNet (2013) *Transition of Do-it Specification for Bidders*. <http://www.YouthNet.org/2013/05/do-it-transfer-documentation/>

<sup>38</sup> Ibid.



#### 6.2.4. Do-it search facilities and information about volunteering opportunities

Volunteers can search for opportunities by clicking on a drop down list of interests and type of activities, availability (day and part of the day), keywords (free text) and location (town or postcode plus a radius of 5-50 miles). With a second click on the 'from my home or computer' button, virtual volunteering opportunities will be displayed.

As the examples in Table 6.3 below show, there are relatively few virtual volunteering opportunities (around 90 on the reference day) compared to the overall volunteering opportunities in the locality (i.e. around 1 per cent or less in the examples below). Moreover, a number of virtual volunteering opportunities can be performed from home but not necessarily online (e.g. collections coordinator or fundraising activities through organising events - results not displayed). The combined result for virtual volunteering opportunities and the keyword 'online' is less than ten opportunities (see last column in Table 6.3).

**Table 6.3. Sample search results for selected localities<sup>1</sup> (search on 25 July 2013)**

Selected city	Number of <u>all</u> opportunities within a 50 miles radius of the city	Number of <u>all virtual opportunities</u> within the city/ region / England / UK <sup>2</sup>	Number of <u>all</u> opportunities within a 50 miles radius of the city, limited to keyword search 'online'	Number of <u>all virtual opportunities</u> within the city/ region / England / UK, limited to keyword search 'online'
London	22598	97	753 (535*)	7 (10*)
Birmingham	7103	94	110 (176*)	6 (9*)
Manchester	9051	89	326 (183*)	6 (9*)

Source: <http://www.do-it.org.uk/>

<sup>1</sup> Results contain duplications (and this includes virtual volunteering opportunities)

<sup>2</sup> This has been obtained using the advanced search function (specifying city and 50 mile radius) and, following the display of these results, clicking on the button from 'From my home or computer'.

\* Results in brackets are for keyword search 'on-line'.

When clicking on an opportunity, details are neatly presented in a structured format, including information about the opportunity itself, the organisation, any skills required, benefits of this volunteering role for the volunteer, time commitments the role requires, duration of the opportunity and how to get to the location where the volunteering takes place (if it is not a virtual volunteering opportunity). This information is provided by volunteer centres on behalf of volunteer seeking organisations or directly by volunteer seeking organisations.

#### 6.2.5. Information on Do-it users: Size and demographics

The latest published data (available for the year 2011/1) shows that the website has attracted:

- just under one million registered volunteers since registration began in 2004;
- more than 200,000 new volunteers registered during 2011/12;
- more than 650 partners who post volunteering opportunities directly onto Do-it (350 Volunteer Centres in England and more than 300 national and regional charities), representing an estimated total of 28,000 organisations
- nearly 500,000 volunteer applications - recent user survey suggests that at total of 28% of registered users and 62% of those who applied for an opportunity had actually taken up volunteering around 3 months after registration with Do-it, but a number of people were still waiting to take up their volunteering opportunity, partly because required Criminal Records Bureau (CRB) checks<sup>39</sup> were not yet completed.<sup>40</sup>

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<sup>39</sup> These checks are now undertaken by the Disclosure and Barring Service (DBS).

Looking at the *demographics of users*, data for registered users in 2011 indicate that the website attracts:

- a wide range of age groups from under 15 to over 65, although mainly younger people (aged 25 and under: 46%), particularly those aged 19-25 (35 %), and middle-aged people (26-49 years of age: 43%), with ten per cent being 50 and older.
- mainly female volunteers (71%, compared to 29% male volunteers)
- 25% from ethnic minorities and
- 5% with a disability.<sup>41</sup>

#### 6.2.6. *Feedback from Do-it users via regular online surveys*

Do-it's regular online surveys provide valuable feedback about both the volunteers and the partner organisations, which is relevant to this study.

(a) While the *volunteer satisfaction surveys*, carried out three months after registration over the period of nearly a year among those registered users who gave permission to be contacted,<sup>42</sup> are not representative for demographic groups (older volunteers are, for example, over-represented), they offer interesting insights for those who responded (n=2,771). Key findings include:

- Role of Do-it in engaging volunteers:
  - 29% would not have been likely to volunteer without Do-it, rising to 39% among the age group 15-25
  - nearly one in two (45%) stated that they had never volunteered before
- Motivations for volunteering: Altruistic motives were a key motivation, but people, in particular the 15-25 year olds, also wanted to develop their skills, gain experience, increase their confidence or become more employable through volunteering.
- Translating interest into participation in volunteering
  - 80% applied for or enquired about a Do-it opportunity (with an average of three applications per person)
  - 62% of applicants had started volunteering and most of the other 38% who were not volunteering stated that they were waiting for CRB checks to be completed, that the role had not started as yet or that the "organisation doesn't seem interested."
- Outcomes for volunteers: Of those who took up a volunteering role:
  - 54% reported that they gained or improved skills; 48% that they gained work experience and 32% that they "became more employable". Agreement with these statements was much higher among the group of 15-25 year olds compared to the over 25 year olds.
  - 52% pursued ambitions as result of their volunteering.

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<sup>40</sup> Di Antonio, E. (2012) *Volunteer Satisfaction Survey 2012*. <http://www.YouthNet.org/2012/11/volunteer-satisfaction-survey-2012/>

<sup>41</sup> Di Antonio, E. (2012) *Volunteer Satisfaction Survey 2012*. <http://www.YouthNet.org/2012/11/volunteer-satisfaction-survey-2012/>

<sup>42</sup> There is no figure indicating how many registered volunteers also agree to be contacted (e.g. for surveys), and calculations are hampered by the fact that figures are not provided for the same reference period. Given that 118,903 people registered with the website between January and the middle of November 2011 also agreed to be contacted, and that more than 200,000 new volunteers registered during 2011/12, the figure may at least around 60%.

- Overall satisfaction with the service provided by Do-it: between 60% to 77%, depending on the aspect.<sup>43</sup>
- (b) The 2012 survey among partner organisations (n=179; response rate: 27%) indicates that many thought that too many people enquire about opportunities rather than actually volunteer, although only a minority feels ill-equipped to deal with these enquiries. Comments from some organisations suggest that this is because volunteers apply for too many jobs within a short space of time. Moreover, most partners reported that they were satisfied with the software required for uploading advertisements onto the platform (V-Base) as it was useful as well as easy to use, and where technical support via email or telephone was required, it was reported to be useful.<sup>44</sup>

### **6.3. Experiences and insights of organisations using do-it to recruit online volunteers**

#### *6.3.1. Role of Do-it in advertising volunteering opportunities*

Depending on their recruitment needs and the availability of other low cost recruitment channels, the organisations taking part in this research deployed Do-it in different ways. One organisation used Do-it to recruit almost all of its volunteers through this site. In fact, it launched Do-it more than ten years ago, partly with its own recruitment needs in mind. And it proved to be a success, as the volunteer manager explained:

“Do-it is so effective for what we need. We get the odd enquiry. We let our user base and our volunteers know about the opportunities as well.”

Another organisation, a large national charity, has been using Do-it for a long time. At the regional level where the interview took place, it is mainly used for specific roles. Most potential volunteers applying for a role with this charity were said to be looking for direct contact with the beneficiary. As demand for these roles was reported to be high, not all opportunities may be advertised on the organisation’s own website. Other roles, such as administration, virtual volunteering or more office based types of roles attract fewer candidates to this charity, and it is these roles in particular which will be advertised on Do-it as this will allow the charity to cast its net wider.

“We use the website [Do-it], if it is helpful for us. Say for example, if we got a volunteer role that is more difficult to appoint to then we will put it on that website. It is just because it is a big website and it is widely used.”

Another large national charity has been advertising volunteering opportunities simultaneously on Do-it and its own website. Recently though, its focus has shifted to recruiting volunteers through the organisation’s own website. This has been driven by both a planned expansion of volunteering opportunities and a subsequent need for more volunteers as well as specific issues around simultaneously uploading volunteering opportunities at both sites, some them being of a technical nature. As a result, the organisation decided to invest in the development of its own website where people can search for volunteering opportunities (e.g. by postcode, area of interest), drawing on feedback from a range of stakeholders. However, the website will continue to be used in future for strategic reasons.

“We use Do-it because we need to maintain a national profile of volunteering as well, but it is an added extra rather than the default system that we use.”

However, as noted before, Do-it may play a different role for smaller charities, as the fall back position of advertising on their own website may be non-existent or does not have the wider reach.

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<sup>43</sup> Di Antonio, E. (2012) *Volunteer Satisfaction Survey 2012*. <http://www.YouthNet.org/2012/11/volunteer-satisfaction-survey-2012/>

<sup>44</sup> Donaldson, S. (2012) Do-it. Volunteering made easy. *Partner survey 2012*. <http://www.YouthNet.org/2012/06/do-it-partner-survey-2012/>

### 6.3.2. *Online volunteering roles*

Volunteers are often described as the lifeblood of charities: without them many charities could not provide their services. The role online volunteering plays within this varies in the three organisations covered in this study.

The online charity almost entirely offers virtual volunteering opportunities. Nearly all of them have an online element as communication with its users and office based charity employees is online or pictures for display at the website need to be uploaded. A representative of the organisation emphasised that the size of the volunteer base (currently about 200) could only be achieved due to virtual/online volunteering:

"The fact that we involve this huge army of volunteers was only made possible because they can do this outside of the organisation and online. If we would only involve offline volunteers the numbers would be so much smaller and we would not be able to reach the number of volunteers that we do."

Online volunteering roles include advisory roles helping young peers, consultancy type roles providing feedback to the organisation, including the development of its future services, life chat moderators and photographers. Provision of training is a key element of most volunteering roles. There was recognition that while training is required for the role, the organisation is also benefiting from it. Talking about the consultancy type roles, the representative emphasized:

"We are investing in their [young people's] development because we get back in spades, huge insight from them."

Moreover, a distinguishing feature of most volunteering roles with this organisation is that they are "structured", i.e. they require people to volunteer for a particular shift.

The organisation plans to grow its model of virtual volunteering. While volunteers currently help users of the charity's website online, it is anticipated that in future volunteers also help their friends when issues arise, using the skills learned and the tools provided. This supports the vision of the charity of helping young people "to make a difference to each other".

While the other two organisations offer a wide range of volunteering opportunities, there are few volunteering opportunities, apart from the e-campaigning roles at one charity.

"We have got enough roles that would appeal to different people. It is about tailoring the offer and making sure that we have got a range of opportunities to suit different tastes and needs and preferences".

Between them these two charities offer online roles in research, reviewing publications, online forum moderation, social media and e-campaigning. As indicated earlier, e-campaigners form a large group in one of the two charities, thought to be around 20,000. They sign up with the charity with the click of a button and will then be informed about new campaigns. It is not known though if e-campaigners are also engaged in other volunteering roles as the internal system does not yet allow capturing this information. According to the organisational representative there is anecdotal evidence though that "our volunteers tend to do quite a few things for us."

One of the large national charities has recently begun to explore online volunteering opportunities to search for information online which is then made available to the charity's target group.

"The online volunteering is a quite recent innovation, if you like, something that we are toying around a bit, see how it works. "

There was no demand for virtual volunteering, rather the organisation tried to recruit people to these roles.

Having initially recruited individuals to search information online, it soon became clear that a group-based model with a volunteer team leader feeding the collated information back to the organisation would be more efficient, although the organisation has retained some individual

volunteers conducting online research. Meanwhile, the organisation has approached a local university and gave a presentation to interested students, asking them to spend two to three hours per month on online searches. It now has a group of thirty students with two to four team leaders. The organisation is thus “not inundated with emails from all sorts of people”. Moreover, the online element has its own benefits, as the volunteer advisor explained:

“... because they never had any contact with any service users, staff or volunteers, apart from myself and a colleague, we don’t have to take them through the usual recruitment processes either. All we did was register them on our database. We did not provide all the training.”

The organisation is also currently exploring whether online searches could be used to provide information to a different subgroup within the overall target group. Moreover, it is targeting human resources professionals, asking them to review the (anonymised) CVs of young people and to suggest ways in which the presentation of information could be strengthened. These young people may also benefit from mentoring but not every volunteer was reported to be able to give the required time.

Administrative volunteering roles were nearly all office-based in this charity, primarily because supervision can be provided, when necessary, as this will also help the person develop new skills.

### *6.3.3. Skills development and employability*

The most interesting example in this context is the *online charity*, given the scope of online volunteering opportunities and the role-specific training the organisation provides. The mission of the online charity, founded in 1995, is to offer advice and support to young people through a specific model it believes is best suited. As the organisational representative explained:

“YouthNet is really about supporting the digital generation of young people. Because they are a digital generation we believe that there is a virtual role in the digital solution to help them. (...) Our primary resource (...) is an online service about a huge range of issues. We believe in empowering young people to support each other and also empowering and skilling up young people to deliver services for the young people.”

Training is important to the organisation because this supports volunteers in delivering its services to young people and it helps the organisation to constantly develop and innovate its services through close links with trained ‘internal consultants’ who are themselves mainly young people. The representative stressed:

“We do a lot for the individuals making sure that they are trained and supported. At any one time our time is available if there is an area they don’t feel comfortable or they need help.”

The skills will not only benefit the users of the charity, but can be deployed to help the friends of the volunteer and to look at issues in their own life.

The charity is also currently piloting a graduate scheme with a corporate organisation which can serve a dual purpose, as the organisational representative explains:

“Graduates see this as a training opportunity and they also engage because it fits with them wanting to give something back.”

Depending on the role, initial training may vary from a weekend course to longer programmes, such as that for peer advisors as this is a more demanding role. The six-month coaching programme the organisation developed for peer advisors is run twice a year, starting off with a weekend course, followed by regular online mentoring and coaching sessions on a particular theme by experts in this area. During the programme, volunteers will also be providing advice in the form of responses to questions users submitted online. Having been fully trained at the end of this programme, volunteers receive a certificate from the organisation outlining what they have done, and as for the future, the organisation is seeking to develop an externally accredited certificate. Some peer

advisors were reported to drop off after the 6 month period because they have completed a programme they were keen to engage in to develop their skills in this area, while others may carry on in this role for one to two years and or may move on to different volunteer roles within the organisation. If peer advisors want to develop themselves in their role, the organisation would be looking for extra opportunities to facilitate this.

Online moderators are trained to have the skills to provide “light touch moderation”, “because the principle is not to tell people what to do. It’s to ask some questions to get them to open up which is clearly a very good skill we all need to do in terms of listening.” This training, it was argued, is “hugely beneficial in terms of empathy, negotiation and communication”. This online volunteering opportunity was thought to be fairly unique as volunteers work within a set timeframe (shift), take part in online training (allowing them to learn at their own pace) and undergo a process of self-reflection prior to engaging in the role. And this process of self-reflection is being maintained as volunteers are encouraged to reflect on the skills they may have found lacking in a particular session.

The organisation was said to attract young people “who are pretty IT literate”. They may have used the charity’s own website before or may have gained chat skills through other web sites. As for the future, the organisation is deliberating as to whether to train young people in specific digital skills. It was argued that young people may be able to use these in their job and moreover, skilling up more digitally capable young people “will help the charity sector”.

Across the online volunteering roles, it is particularly soft skills people hone, such as communicating online and understanding emotional support. For peer advisors, it is also the written communication (e.g. the way you structure your wording, awareness of who the audience is) and they will need to have a good command of English at the outset, as the volunteer manager explained.

“Their English has to be good enough to create something that is useful for the user. So that has more skills involved than in a chat moderation.”

As indicated earlier, the skills learned not only benefit users but also the volunteers themselves.

“A lot of volunteers have thought that the skills they have learned in providing the service they began to use in their own life too. Enabling them to help others also enables them to help them.”

And it was noted by the volunteer manager that “[w]e definitely see an improved confidence” in volunteers.

There is some recognition though that “[b]ecause it is virtual volunteering it is harder to put that on their CV”. A particular case in point was the internal consultancy role as volunteers themselves may not see this as volunteering, as they are not directly helping a user of the charity.

In addition to the certificate for the peer advisor role, the organisation offers vInspired awards for 10, 50 and 100 hours of volunteering respectively as it gives volunteers “something to evidence what you have done”. It was described as a “light touch” award, based on an assessment of the volunteer manager with a sample of awards being looked at by the senior management team. The organisation encourages people to go for vInspired awards and the volunteer manager has seen it on people’s CV and profiles.

It is also worth mentioning that, having secured funding from a corporate organisation, the charity has recently embarked on an employability project as young people have increasingly been struggling in term of employability, largely as a result of the current economic climate. The aims of the project were outlined as follows:

“We help them understand what they are going through and get the right support. [Name of the organisation] role is to signpost to other services (e.g. skills development) and to provide support, advice and guidance in a tone that young people respond to.”

The redevelopment of the website is currently in progress and is expected to go live by the end of the year.

Before turning to the advantages and disadvantages of online volunteering, the reminder of this section will look at the assessments of skill developments in the *other two organisations* where online volunteering played a small role. Overall, the representative of one of the large charities emphasised that the organisation aims to support those who seek work experience or are looking for paid employment (e.g. all volunteers have access to the internal vacancies sheet). The advertisement would also mention that one of the benefits of volunteering is that they can get a reference. Since volunteers have different motivations, it is important to the charity to explore this at the outset in order to be able to offer a good match. The type of online volunteering role offered by the organisation (online research) was not thought though to enhance the volunteers' skills "because there is nobody there developing their skills. You have got to have the skills already in order to rove about on the internet." This assessment was mirrored by one of the volunteers conducting online research.

The organisational representative from the other large charity thought that IT skills are "an asset and a skill that would apply to most jobs", but whether it gives the volunteer a bit of an edge obviously depends on the type of job someone is looking for.

"if they are looking to move into a role that will need to use social media then obviously an internship looking at social media would really help that, but if they are not then it might be better that they do some role out in the community beefing up their people's skills."

Role-specific training needs of the volunteer will be assessed at the beginning but also on an ongoing basis, also because the organisation may have an interest in developing a particular volunteer.

#### *6.3.4. Advantages / disadvantages of online volunteering*

For the online charity, virtual or online volunteering was part of its vision for offer advice and support to young people. Moreover, online volunteering enabled the charity to take on a large number of volunteers, drawn from across the country.

Also, the flexibility was reported to appeal to volunteers: "It is very flexible and that it is why it is very popular." Moreover, online volunteering may encourage people for whom face to face volunteering is less of an option to volunteer:

"... one of the advantages is of course that it can appeal to people who may be housebound, e.g. elderly or disabled people, but want to feel they are doing something useful to contribute."

The process of taking on online volunteers can be much quicker. One organisation stressed that their online volunteers are "fast-tracked" as they do not need to go through the process for volunteers working with vulnerable people, which includes taking references, disclosure and barring checks checks (DBS, formally criminal record checks) and a set amount of training. This process could take up to three months from the initial enquiry to becoming a volunteer. Instead online volunteers are given information about the organisation and have to sign up to use their own equipment so that is at their own risk.

The perceived disadvantages raised by interviewees revolve around issues related to communication and engagement as online volunteering lacks direct contact with the user and the charity itself.

"The disadvantages are probably more for the volunteer. You don't really feel a connection, do you, to anybody or anything. You are pulling together information but it is a bit faceless. It does not appeal to a lot of people that come forward to us."

“They don’t ever see the person [the user] they are giving the advice, whereas if you give it face to face, you feel you are making more of a difference.”

One volunteer manager reports that she needed to make a conscious decision to communicate with the online volunteer:

“When a volunteer is online you have to make a tactical decision am I going to email them now and give them some feedback whereas when they are offline that stuff happens naturally.”

Another issue raised is that “it is probably harder to keep people engaged online”, also because some volunteering opportunities are unstructured, i.e. could be undertaken at any time. This was thought to be a particular issue if the person could improve on management skills.

In order to help facilitate communication, two organisations have a separate website for volunteers where they can access up-dated information about the organisation and can exchange experience. In one organisation this was set up a couple of years ago in response to a local issue but was unrelated to online volunteering. Page viewings show that the website is being used for information although not many people are actively contributing to the exchange forum.

## **6.4. Experiences and insights of online volunteers**

### *6.4.1. Role of Do-it in finding volunteering opportunities*

Some volunteers heard of Do-it through their network (e.g. a peer or a tutor) and subsequently went on to find the online volunteering opportunity through this site. A young volunteer elaborated:

“I didn’t know where to start. My tutor talked to me about this and she says here is Do-it. That’s a good place to look around for volunteering opportunities.”

Both volunteers who found their role through Do-it reported that the search had led to a good match with their preferences in terms of their interests (e.g. a particular age group or a particular area of volunteering) and in terms of being able to Do-it online.

Others heard of a specific volunteering opportunity through family or friends who thought it would be particularly suitable for him or her. The person then got in touch with the voluntary organisation directly. It is notable that networks played an important role, either directly or indirectly, in finding the online volunteering opportunity. Moreover, for those two volunteers transitioning out of full time education, signposting within the education system (tutor, career’s website) helped them with their search.

### *6.4.2. Motivation for engaging in online volunteering*

For some people the motivation was clearly altruistic (e.g. “wanting to give something back” or wanting to support a charity whose mission is close to their heart) and for others improving their employability was a strong motivator. The latter group consisted of young people who still needed to make the transition from education to employment or were ultimately seeking to move into a different type of work in future. One volunteer explained:

“I thought if I don’t get any paid work, if I got some voluntary work this would be good for the CV. I was looking for anything basically. The virtual element was appealing as I could do it from home.”

Another volunteer has recently embarked on further training following the completion of her degree, with a view of becoming a counsellor in the first instance. The current volunteering role helps her to apply the knowledge gained from her specialised course in practice. In her own words:

“Doing the volunteering at [name of the organisation] allows me to practice those skills and to start thinking more about relationships.”

*Online volunteering* appealed to all five volunteers as it also offered a high degree of flexibility due to the nature of their volunteering role. One person with previous volunteering experience was



looking for an online opportunity in a similar field at about the time when she embarked on further training while continuing to work full-time. She explained:

'It [the previous experience] was one shift. It was usually late evening work and you had to travel to get there and then travel back afterwards. I didn't mind doing evening work but di it in the comfort of my own home'.

Another volunteer with previous volunteering experience learned about the new opportunity towards the end of her degree when she wanted to carry on with volunteering but could no longer spend a day or more volunteering. The opportunity appealed to her because "it is online I could do ten minutes here, an hour here."

For another volunteer, living in a rural area limited his choices so he specifically looked for online volunteering opportunities that suited his area of interest.

Apart from the youngest volunteer whose first and only volunteering experience was online, the other four had previous face-to-face volunteering experience, with three of them having taken on online volunteering while continuing with their face to face volunteering. One volunteer with a strong connection to the charity's mission explained why she carried on volunteering for the same organisation:

"... getting involved in one bit of volunteering for [name of organisation], having a really nice experience, and not saying no to any other opportunities that came forward."

Another volunteer is proactive in expanding his volunteering portfolio further while he is actively searching for jobs. Having attended a training course with a charity he heard about during his degree course, he will shortly be volunteering with three different organisations.

#### *6.4.3. Online volunteering roles: what do they entail and offer?*

This research draws on the experiences of people volunteering in the following areas, with the information in brackets indicating the approximate monthly hours spent volunteering and how flexible it is:

- Online research (30 minutes to a couple of hours per month; very flexible in terms of when the searches are slotted in)
- Peer advisor role (regular four-hour shift on one evening per week, plus a monthly web chat with an expert and the preparation of a question in advance)
- Consultancy role (roughly 5-6 hours per month; this involves taking part in a scheduled two hour chat every two other week plus additional online discussions following on from the chats for about 1 to 2 hours in between. The volunteer may opt out if there is nothing that is of particular interest to him or her and may thus not be participating for a month or so).
- Online moderator (about 3.5 hours every month, in practice it works out 10-20 minutes every three days).

Typically applicants are required to complete an online application form, including a personal statement of experience for some roles. While the online research role did not require any training, both the peer advisor role and the consultancy role required the volunteer to attend a face to face weekend training course prior to taking up the role. The organisation invites more volunteers than needed to counter for any attrition that may occur during or after the course. Selection for the moderator role required the attendance of an interview, as "it is quite an in depth role, it is very front-facing". At the interview the volunteer also needed to give an example of how she would respond to an online post that someone had placed on the forum earlier. One person recalled that she received a response within a couple of days, as the advert was timed to coincide with the scheduled training, and - at the other end of the spectrum - it took more than two months for the welcome pack to arrive as there was reported to be some miscommunication due to staff turnover.

All five interviewed volunteers were enjoying their online volunteering role and could foresee continuing with this particular role for the time being, although they may have to reassess the commitments they are able to give if their circumstances change in future. While these volunteers appreciated the benefits of online volunteering, some also continued with previous face-to-face volunteering opportunities or expanded their portfolio, partly because it offered other benefits, such as being able to hone people skills or “it gets me out of the house”.

#### 6.4.4. *Training, skills development and assessment of employability*

This section explores the training volunteers received, the skills they developed, networks that may have evolved and the perceived impact of the volunteering experience on the person’s employability.

**(a) Training received:** The scope of training varied between roles requiring no training to training over a six-month period at the other end. Two volunteers started the role without any training as they had the necessary skills, although a one-day training course for volunteers was offered to one volunteer but he could not take advantage of it at the time. Another volunteer was initially monitored for any role-specific training needs, and only required some training later on, but went through some non-role specific training (e.g. online health and safety and an online quiz about the history of the organisation). Two of the interviewees attended initial mandatory role specific training during a weekend course.

Moreover, the *peer advisor role* requires volunteers to undergo a six-month training programme, starting off with a weekend course where they were given useful tools, had one to ones and participated in a few exercises. Overall the volunteer found this to be very useful and felt confident taking on the role. She knew how to “phrase things” from a previous, not dissimilar, volunteering role experience, but it was more in the format the organisation wanted it that she needed to learn.

“When I left on a Sunday afternoon, I thought I can do this. This is not going to be too much of a problem. ...I found it really, really, really useful, really good.”

After the initial training there is also a monthly web chat with an expert. The volunteer has to answer one training question per month on a particular topic prior to the web chat. The rest of the time he or she will be answering live questions. This format was very much appreciated by the volunteer:

“So effectively you are training but also doing, which is good - and I like that.”

**(b) Skills development:** The skills people maintained or developed through online volunteering included writing skills, improved confidence, IT skills and other role specific skills.

All interviewed volunteers, including the oldest, had the necessary *IT skills* for the online role. One volunteer commented:

“I had a lot of the skills already. This is one of the reasons it made it so easy. “

The retired volunteer had completed a computer course “quite a few years ago” and “surprised” herself that she got through the exam she undertook as part of a course searching the family history online. However one volunteer stressed that:

“Obviously you are maintaining the skill of working on your computer because IT is forever changing at the same time”(online moderator).

Another volunteer emphasised that he had learned to use digital cameras, microphones and recordings and is about to learn new IT related skills as he will be looking at videos and multimedia platforms as part of his role.

Where the role required volunteers to communicate with people through writing only, interviewees emphasised the need to communicate clearly without being able to resort to non-verbal

communication to clarify the meaning:

“It is a lot of writing. You are practicing your English really. ... And it is also about being able to communicate in written form in a certain way without offending.” (peer advisor role)

“I think you maintain a skill clarity of your writing because people don’t have tone of hand gestured to go off, so you have to be very careful sometimes in terms of what words you are choosing to not convey the wrong message.” (online moderator)

One volunteer also thought that her *interpersonal skills* were being developed further:

“It is the interpersonal skills at well. Actually being able to work with people, getting people in what they are trying to say to you.”

Volunteers also spoke of *improved confidence*, as illustrated in the quotes below:

“I would definitely say I am more confident” in public speaking and keeping conversations going. (consultancy role)

“I think it is actually a gateway into building confidence. Quite often I will be posting to what appears to be an empty room and I know people are coming online every few months and are reading it. It is this confidence I keep on doing this anyway even if nobody wants to talk to me.” (online moderator)

*Other areas* one volunteer mentioned included improved knowledge in areas the organisation provides advice on (e.g. finances) or transferable skills, with improved confidence in public speaking being one example.

However, one volunteer who researched information online stressed that he already had the skills required for the role and did not develop them further, whereas he thought that through his other volunteering role (selling goods at a stall) he gained “a little bit more customer services skills”.

**(c) Networks developed:** Some worked entirely on their own, apart from the regular email contact with the volunteer manager, whereas others had more of a chance of extending their network through their volunteering role or their wider work for the charity. For example one person who had volunteered for the charity for a number of years in different roles already had “a big network” within the organisation”. She thought that through her outward facing role she “met a few more people”. At the other end of the spectrum one person developed a geographically dispersed social network of friends drawn from fellow volunteers he met at the weekend workshops that take place four times a year. In fact, these meetings are a strong motivator for him to carry on with his role, particularly during the quieter periods of volunteering.

**(d) Enhancing the CV and perceived employability:** Apart from the oldest volunteer who is retired, the other four, all young people, include the volunteering experience in their CV, often detailing the role, the duties and the skills gained.

“In a way I treat it just as much as a job. They are valid skills.”

“Volunteering experience takes up most of my CV, to be honest, because I did not have much of a past work experience before I went to university.

For some time now the charity V developed the V inspired award to help people document their volunteering hours (10 to 100) and its impact on users (for 100 hours only). None of the interviewees mentioned this though. One person had not heard of it and another one did not know how to apply the award to his specific role as he does not have contact with users.

For volunteers it is difficult to assess whether the volunteering enhances in any way their employability, although some suspect it does. There is certainly some interest in their volunteering motivation and experience from employers at job interviews. One person who works in the voluntary sector thought the volunteering experience was beneficial:

“It was actually really useful for me to get the jobs I wanted to, especially because I work in the community and voluntary sector now. One of the things they liked most about me was how much experience I had.”

#### *6.4.5. The advantages and disadvantages of online volunteering*

The flexibility of online volunteering was seen as a key advantage. The interviewees stressed that they can fit it better around other commitments, either because it is done from home (thus eliminating travelling time) or because it is very flexible in terms of when it is done (apart from shift-based volunteering roles). One interviewee described the advantages in the following terms:

“You do it from home. You can do it whenever you want. You are basically your own boss in that sense. You rely on your own abilities.”

Being able to continue volunteering in an interesting role that required less time was important to a young person making the transition from university to the labour market. For another person the online volunteering opportunity enabled her to continue volunteering while working full time when she started to embark on a course as it did cut out the travelling time and did not require her to travel late at night. And for a third another person who lived in a rural area, online volunteering opened up choices beyond his local area which was perceived to offer limited opportunities in this respect.

Through her online volunteering role, one volunteer also gained a good overview of what is happening within the charity at a national level, which may help to inform her local face to face volunteering as she could tap into the rich experiences of other people as to what did and did not work from them.

Lack of face to face contact with other people was perceived to be a disadvantage to varying degrees by some, as illustrated by the response below:

“The reason why someone might want to volunteer is because maybe they want to meet new people. So maybe that is where it is lacking.”

While appreciating the benefits of online volunteering, one volunteer stressed that he could develop more interpersonal skills by doing other volunteering roles.

“The disadvantages are you gain no interpersonal skills, there is no interpersonal contact. I just work on my computer and send stuff back.” (volunteer conducting research online)

Another volunteer emphasised that in his role “there is not always consistent amounts of activity”. In particular at the beginning when he joined, he experienced quieter periods. However, regular scheduled face to face meetings act as a strong motivator for him to carry on.

An online information and exchange board for volunteers can play an important role in online volunteering. The degree to which people experienced such a facility varied. For one person, such a facility was key to the role which relied on the online discussion facility. Another volunteer who donates her time with an organisation with a dedicated website and online forum for volunteers was aware of it but given her many commitments did not have the time to engage with it. And a third volunteer, whose organisation did not have such a facility, would like to see an online group where she could exchange experience (“compare notes”) with other volunteers.

#### *6.4.6. Role of volunteering in future and role of Do-it in searching for opportunities*

Volunteering is an activity all of the five interviewees wanted to engage with in future in one way or another although they may have different aims, rationales or preferences. This is illustrated in some of the quotes below.

“I would definitively like to take it further. It would like to do more face to face volunteering, as long as I enjoy it – not volunteering per se.”

“I think it is about the variety of volunteer work as opposed to it is just about skills and that’s it.”

“... as long as I don’t get too many commitments. I might do less volunteering. I think I have been doing it for too long to be part of my life so say ‘Oh I don’t want it anymore’.”

Strategies interviewees would adopt when searching for volunteering opportunities in the future included revisiting Do-it; taking a look at Do-it, now that they have become aware of it; using other internet based search strategies (e.g. Google); or searching at a relatively new website which also advertises volunteering opportunities in a specific area one volunteer was interested in.

One of the interviewees who used Do-it in the past emphasised:

“As going on Do-it was successful, I’d probably have a look that and see what’s available.”

Do-it may thus play a role in locating suitable volunteering opportunities for some, either on its own or in combination with other search strategies.

## **6.5. Assessment of the impact on employment and employability**

Do-it is a UK wide volunteering website offering brokerage for volunteer centres and individual charities posting volunteering opportunities online and for people searching volunteering opportunities that meet their interests and preferences. The online charity YouthNet launched the service in 2001 when it spotted an opportunity to innovate and is currently in the process of transferring it to a new owner as YouthNet wants to focus on providing services for young people. Do-it has previously been largely funded by central government grants (and other sources of public funding) but new business models will have to be developed as central government funding will cease by April 2014.

This exploratory case study investigated the experience of three voluntary organisations using Do-it to advertise online volunteering roles and five online volunteers who had taken up a role advertised on Do-it but may have become aware of the role itself through different channels, including the website. The research explored, among others, the role of Do-it in advertising or finding volunteering opportunities, the motivation for engaging in online volunteering, the advantages / disadvantages of online volunteering, and in particular, the scope for skills development and enhancing the volunteers’ employability. It is these latter aspects this section focuses on.

The ‘conceptual map’ of volunteering, Rochester et al. (2010)<sup>45</sup> argue, consists of three areas: volunteering in social care, which dominates the public discourse, and is presumed to be driven by altruistic motives; ‘activism’ (e.g. mutual aid, self-help or campaigning for changes) and ‘serious leisure’ (typically in areas such as arts, culture, sports and recreation), where self-expressive or intrinsic motives prevail. Employability may be more thought of as a by-product that can occur in the process of volunteering one’s time rather than a key motivation to engage in volunteering. However, particularly for young people seeking to make the transition to the labour market, enhancing their employability can be one or even the main motivation.

The key findings on skills development and employability of online volunteers can be summarised as follows:

- The non-representative survey of registered volunteers conducted by Do-it indicates that particularly young people (15-25 year olds) also embark on volunteering because they want to develop their skills and become more employable. In fact, about half of all survey respondents reported that they developed their skills and gained experience and about a third thought they had become more employable, with figures again being higher for young people (Di Antonio, 2012). The survey covers all volunteers, irrespective of whether they volunteer face-to-face or online.

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<sup>45</sup> Rochester, C., Ellis Paine, A. and Howlett, S. with Zimmeck M. (2010) *Volunteering and society in the 21st Century*. Houndmills, Basingstoke: Palgrave Macmillan.

- The interviewed online volunteers already had good IT literacy allowing them to engage in online volunteering without the need for IT training.
- Skills these volunteers honed or developed depended on the role and included writing clearly in an online context that is devoid of non-verbal clues, interpersonal skills and skills in specific areas associated with their role. As a result of their online volunteering and also the training they received for their role some have become more confident – and this was mirrored in the assessment of representatives from the online charity. However, other roles, such as online research, may not offer much if any scope for skill development.
- The volunteering experience featured in the young volunteers' CV, particularly in cases where they had not yet gained any other work experience as they are still in education or have not long ago completed their initial education. It was reported that employers take note of it as the volunteering motivation and experience can be a conversation topic at job interviews.
- A good match between the volunteering opportunity and the job(s) the person is interested in can enhance the person's employability further.
- In this exploratory study all but one volunteer not only had online volunteering experience but they also had previous face-to-face volunteering experience. The greater flexibility of the online volunteering role helped some to continue volunteering at a time when personal circumstances change or call for a reduction of the time commitment the person is able to give. On the other hand, face-to-face volunteering roles may offer other benefits, such as direct personal contact and the development of a wider range of skills.

## 7. CSV CASE STUDY: 'TAUSCHRINGE' (=EXCHANGE RINGS IN GERMANY)

### 7.1. Introduction to the case study and methodological considerations

#### 7.1.1. Tauschringe

Even though no common definition exists, Tauschringe have been described as regional organisations with a larger number of members and a common cause, i.e. members can exchange goods and services using their own currency (Brandenstein, Corino and Petri, 1997<sup>46</sup>). Most Tauschringe call their currency 'Talente'; however, other names exist usually taking the regional culture and history into account (i.e. Blüten, Heller, Kreuzer, Peanuts, Kohlen).

The first 'Tauschringe' were established in Germany during the 1990s following the time banks and LETS experiences in the USA and the UK. One of the first exchange rings was established in Bergisch Gladbach, following the idea that solidarity and neighbourhood help can be encouraged with a time bank system (Keckel, 2009<sup>47</sup>). Even though at the beginning many different names existed, the term 'Tauschring' seems to have been established. Other names for Tauschringe, however, still exist such as LET-System, Tauschbörse, Tauschgemeinschaft, Tauschkreis, Zeittauschring or Talente-Zirkel.

There were some attempts to identify the amount of existing Tauschringe in Germany and during a nationwide meeting of activists in 2012; about 300 exchange rings were counted (Source: Tauschwiki).

Tauschwiki (see 7.3) lists some common characteristics of exchange rings such as:

- All exchange rings are voluntary organisations;
- Transactions are only possible amongst members of exchange rings;
- Most exchange rings are regionally limited even though some are inter-connected;
- Exchange rings manage their members' accounts and document their transactions;
- Transactions are being conducted without using cash or similar forms of payment. In contrast to complementary currencies, transactions are usually only registered;
- Exchange Rings communicate offers and demands using an internal newspaper or mailing lists;
- Within an exchange ring, there is reciprocity of demands and offers.

Exchange rings differ in terms of their numbers of members, their organisational structure, their inter-connectivity with other exchange rings or other voluntary organisations, and their public visibility. Other differences exist with activists' and users' political, social and economic commitment which varies from the creation of social networks to that of a new economic system (Kristof, Nanning and Becker, 2001<sup>48</sup>).

#### 7.1.2. Methodological considerations

The research presented below is based on the experiences and insights of three organizers and six users of the platforms mentioned above. The IER team approached the Tauschwiki and Tauschen-ohne-Geld websites to invite them to participate in the study in May 2013. The contact to LoWi e.V.

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<sup>46</sup> Brandenstein P., Corino, C. and Petri, Th B. (1997). *Tauschringe - ein juristisches Niemandsland?* in: Neue Juristische Wochenschrift, Nr. 13/1997, S.825-831.

<sup>47</sup> Keckel, M. (2009), Anderes Denken erfordert anderes Handeln. Struktur und Gestaltung von Tauschringen. Available online: [http://www.tauschwiki.de/images/a/a8/Tauschring\\_diplom\\_morena\\_keckel.pdf](http://www.tauschwiki.de/images/a/a8/Tauschring_diplom_morena_keckel.pdf)

<sup>48</sup> Kristof, K., Nanning, S. and Becker, CH. (2001). Tauschringe und Nachhaltigkeit. Wuppertal Papers, Nr. 118. Wuppertal Institut. ISSN 0949-5266. Available online: <http://epub.wupperinst.org/frontdoor/index/index/docId/1269>

was then built up with the help of the Tauschwiki and Tauschen-ohne-Geld organizers. Within LoWi e.V., IER's contact details were circulated and users were asked to participate in the study. Altogether, six users agreed to take part in telephone interviews to discuss their individual experiences with the exchange ring. As all of the organizers were exchange ring users as well, their experiences as users were also included in the study. Additionally, Rolf Schroeder, as an expert for exchange rings was interviewed. His website (<http://rolf-f-h-schroeder.de>) hosts a database on exchange rings and community currency.

Key research questions for users included:

- How long have you been a member of your exchange ring? Why did you become a member? Why did you become a member of the particular exchange ring?
- Are there any connections between your employment and your involvement in the exchange ring? What kind of skills do you use in the exchange ring? Do you use the same skills in your employment?
- Do you use the internet for your transactions on the internet? What would you do without the internet?
- What do you offer in your exchange ring? How are transactions organised?
- How is quality of services (and goods) controlled?
- What do you demand in your exchange ring? Do you demand these services regularly?

Finally, interviewees were given the chance to report of the advantages and disadvantages of transactions, especially in terms of the internet and employment. Questions to experts were adapted accordingly; i.e. in terms of the websites they were responsible for.

Interviews lasted between 25 and 75 minutes and were recorded and field notes were made from these interviews for analysis. Participants' consent was sought before each interview took place and they were reassured that their identities would be anonymised.

The interviews discussed here, together with the information used on the websites, are the main source of information for the results presented in the next section. Similarly to the other case studies, interviews were analyzed using a matrix approach whereby interviewees' comments were classified according to emerging topics and then each topic was sub-analyzed and developed into sections as presented next.

## **7.2. Description of the platforms Tauschwiki.de, tauschen-ohne-Geld.de, Ressourcentauschring and the exchange ring LoWi e.V.**

The following section will look at reciprocal exchange systems, 'Tauschringe', meaning exchange rings in Germany. Starting from three organisational platforms ('tauschwiki.de', Ressourcentauschring RTR and 'tauschen-ohne-geld.de'), this case study focuses on the exchange ring LoWi e.V. in Münster ([http://www.tauschring-LoWi\\_e.V.de/](http://www.tauschring-LoWi_e.V.de/)), which was selected to highlight the experiences and insights of organizers and users of exchange rings<sup>49</sup>.

### *7.2.1. Tauschwiki.de*

Tauschwiki, a communally produced encyclopedia and a handbook for exchange rings with currently 338 articles<sup>50</sup>, is an initiative of German exchange rings. As the name suggests, it uses the open source software and the design of the popular Wikipedia platform. According to the website, it has been opened more than 300,000 times since its launch in 2009. One of the interviewed organizers assumed that the real number of hits are probably higher as many websites of individual exchange rings have linked particular articles and, as they land on an individual article, their hit is not counted on the entrance portal.

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<sup>49</sup> For information on the Münster region see <http://www.muenster.de/>

<sup>50</sup> from the website, access: 29-07-13



### 7.2.2. *Tauschen-ohne-Geld.de*

Tauschen-ohne-Geld is a platform, which enables exchange rings to organise themselves (i.e. administration of users, or the documentation of transactions). Originally, it was launched to help one individual exchange ring, however, in the meanwhile approximately 100 exchange rings in all parts of Germany use the platform to organise their members and finances. Additionally, it allows exchange rings to generate market newspapers. Other possible platforms that allow the online administration of exchange rings are obelio<sup>51</sup>, clyclos<sup>52</sup> (based in the Netherlands). Tauschrausch.de, another platform, offers offline administration software.

### 7.2.3. *Ressourcentauschring RTR* [www.ressourcen-tauschring.de/inhalt.html](http://www.ressourcen-tauschring.de/inhalt.html)

The RTR is a clearing system for exchange rings. Using the RTR, registered exchange rings can exchange 'currencies' with other exchange rings. Individual users cannot become members in the RTR. All registered exchange rings hold an account within the RTR. Currencies within individual exchange rings are transformed in minutes to allow for exchanges across different exchange rings. Currently (August 2013), there are 85 exchange rings registered as members within the RTR. The RTR uses the platform 'Tauschen-ohne-Geld' for their over-regional transactions.

### 7.2.4. *LoWi e.V.* ([www.tauschring-LoWi e.V.de](http://www.tauschring-LoWi e.V.de))

LoWi Tauschring für Münster e.V. was launched in 1996 and the name stands for 'Lokale Wirtschaftsinitiative' (=local economical initiative). Currently, the exchange ring has more than 250 members exchanging goods and services such as cleaning, photography, help for parties. LoWi e.V. users use a currency called 'Talente' and, even though they understand themselves as 'economy-orientated' and allow users to negotiate individual fees for services<sup>53</sup>, they recommend users to charge 20 Talente for each hour worked. Currently (2013), members are obliged to pay for the administration of the exchange ring annually 18 € and 48 Talente. LoWi e.V. is organized exclusively by volunteers paid for with Talente. There is an organisational committee together with a small office team. LoWi e.V. uses the clyclos software to administrate members and transactions. Members can use the platform to invoice other members for services used and goods purchased.

## 7.3. On 'Tauschringe' in general

There are many different exchange rings in Germany all of which seem to have different rules. A range of different exchange rings exist from 'gib und nimm' (give and take) networks in which no transactions are documented to others in which a highly organized group document all kinds of transactions. As has been established before, exchange rings are organisations in which goods and services can be exchanged outside of the regular market and in which members use a joint currency for these exchanges. In most cases, the currency is fictitious and is not convertible into the national currency. Outside of the exchange ring, the currency is of no value (Degens, 2013<sup>54</sup>). The motivation of exchange rings members can be classified in three different models (Kristof, Nanning and Becker, 2001<sup>55</sup>)

- Communication-orientated exchange ring in which the composition of members is homogenous and their motivation is mainly to create social networks.
- Ideology – orientated exchange ring in which members are mainly from the green – alternative spectrum and economical motives are less relevant.

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<sup>51</sup> <http://obelio.com/de/index.html>

<sup>52</sup> <http://www.cyclos.org/>

<sup>53</sup> [http://www.tauschwiki.de/wiki/Tauschring-LOWI\\_e.V.](http://www.tauschwiki.de/wiki/Tauschring-LOWI_e.V.) (accessed: 29-7-13)

<sup>54</sup> Degens, Ph. (2013). Alternative Geldkonzepte – ein Literaturbericht. MPIfG Discussion Paper 13/1. Available online: [http://www.mpifg.de/pu/mpifg\\_dp/dp13-1.pdf](http://www.mpifg.de/pu/mpifg_dp/dp13-1.pdf)

<sup>55</sup> Kristof, K., Nanning, S. and Becker, Ch. (2001). *Tauschringe und Nachhaltigkeit*. Wuppertal Papers, Nr. 118. Wuppertal Institut, November 2001. ISSN 0949-5266. Available online: <http://epub.wupperinst.org/frontdoor/index/index/docId/1269>

- High-performance exchange ring with many members with economical motivation and a broad spectrum of services.

One of the experts lists other criteria to distinguish between different exchange rings:

- the kind of currency used;
- the convertibility between the currency used and the EURO;
- the inclusion of goods in the exchange; and
- the regulations with regards to negotiations for the price for services (e.g. is an hour of cleaning worth the same as an hour of computer repairing?).

LoWi e.V. can be classified as a communication-oriented exchange ring. The members call their currency 'Talente'; however, the currency is not convertible to EUROS. Users are allowed to exchange goods as well, and they are also allowed to negotiate the price of transaction to consider differences in the services.

The founders of exchange ring lay down these ground rules which is why most experts stress the relevance of the charisma of the activists (see below). It is also noticeable that many exchange rings have learned from a neighbourly exchange ring which explains regionally different cultures. If not stated differently, all the following information is based on the interviews conducted with activists.

#### *7.3.1. Possible Increase of 'Tauschringe'*

Experts were unsure if there was an increase in the number of exchange rings in Germany over the last years. Although one expert assumed that an increase had taken place, this cannot be proven. Another expert stated that after the last figures published by Wagner in 2009<sup>56</sup>, there has been a brief decrease in the number of exchange rings. Since then, experts expect a small increase in the number of exchange rings, but currently they are no reliable figures. Nevertheless, there are positive signals. When 'tauschen-ohne-geld', the online booking-system, was launched, there was never the intention to make it available for other exchange rings. In the meanwhile, however, numerous exchange rings have started using the platform and currently the organizers are about to translate the platform in Russian, English and more languages.

#### *7.3.2. Over-regional meetings and collaboration and Regional Development*

Since 1995, many exchange rings have started to connect with each and meet annually at so-called BATTs to exchange experiences. Nevertheless, the organizers stress that there is no federal representation of all exchange rings within Europe.

In certain regions, it is hard to establish exchange rings, for example in Eastern Germany. However, it always depends on individual organizers. In one area in the East, there was a long-standing and well-established exchange ring but when the organizer died, it ceased to exist. One expert connects the institution of exchange rings with members travel experience and concludes that in the long run there will be more exchange rings in East Germany. However, for some reason it is harder to establish exchange rings in areas with high unemployment.

#### *7.3.3. Exchanges across the boundaries of the local exchange ring*

One of the intentions of the 'tauschen-ohne-geld' platform was also to overcome the regional boundaries of exchange rings. This, said one of the organizers, has failed though as exchange rings are 'profoundly regional which is why they work'. The main motivations of users (see below) are social networks and contacts within their own community.

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<sup>56</sup> Wagner, S. (2009) Lokale Tauschnetze: Untersuchungen zu einem alternativen Wirtschaftssystem. Wiesbaden: VS.

Nevertheless, some exchange ring activists have established new ways in which exchanges outside of their own exchange ring are possible for example the RTR – Ressourcentauschring<sup>57</sup>. The idea was to overcome regional boundaries and allow for transactions outside of the local exchange ring, for example to pay for accommodation costs with the currency of the local exchange ring. This, as one organizer stressed, has increased the complexity of organisation, especially as the demand and supply is not distributed equally (i.e. huge demand for accommodation in holiday regions). Especially smaller exchange rings were unable to cope with the organisation.

The RTR acts as a bank between different exchange rings. In regional exchange rings, the quality of services and goods is controlled by word of mouths. Obviously, this is not possible in over-regional exchanges and there is no way to evaluate services or goods.

Exchanges within the RTR are based on time as a currency, and all the different currencies get transformed in time to achieve comparability. Currently, there are 85 exchange rings registered members of the RTR. In recent years, the organisation of over-regional exchanges has been transformed into an online system using the 'Tauschen-Ohne-Geld' system. Even though the online system has facilitated the over regional exchanges, it remains fairly complicated as, in order to control the budget of individual exchange rings, over-regional exchanges are limited both in terms of debit and credit to 100 exchange hours.

"For example, Berlin and Vienna are both members of the RTR. As a member of the exchange ring Berlin, I might want to travel to Vienna. First of all, I will need to identify the RTR contact in Vienna and in my own exchange ring, Berlin. Then, both RTR representatives need to check if both exchange rings are still within their limit. If this is the case, I can travel to Vienna and use the offered accommodation of somebody within the Vienna exchange ring. And my exchange ring will transfer the talents to the Vienna exchange ring" (RTR expert).

As the expert declares, technically this works without any problems; however, not many users of exchange rings are interested in over-regional exchanges. Over the last year, in some month there was only one over-regional exchange; and there were never more than fourteen exchanges organized by the RTR in a single month over the last year.

The expert explains that this was the case because:

- Some people find this system of contacting the RTR representatives too complicated.
- There is no real need for over-regional exchanges and if there is, other ways to organize it are more appropriate. "The only exchanges users are interested are accommodation and holidays but there are other websites which might be more suitable for this".
- Users cannot use their 'talents' for longer holidays because of the limits within exchange rings for over-regional changes.
- Many of the exchanged services and goods cannot be bartered over regionally: "these are things you need at home such as hair-dressing, lawn-moving, you cannot exchange this over regionally".

Nevertheless, the organizer lists many services and goods which are exchangeable outside their local boundaries:

- Accommodation, help with relocation;
- Buying and selling of goods, creative bespoke goods (e.g. sock knitting, jam making);
- Help with the computer;
- Care and social contacts for relatives; and
- Grave maintenance.

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<sup>57</sup> Other 'Aussentausch' (=outside exchanges) possibilities exist such as 'Za:rt RTR' which currently (August 2013) has 22 registered exchange rings in Germany, Austria and Switzerland (<http://www.ressourcentauschring.de/lila.html#6> access: 2013-09-13).

## **7.4. Organisers –volunteer activist vs. employed brokers**

None of the experts knew of an exchange ring which employed staff such as time brokers in British time banks. Most exchange rings are not interested in public funding; funding from sponsors or income from adverts on the website. All experts stress that exchange rings are independent, and that the autonomy is very important. One of the reasons is that the precariousness of the funding could endanger the whole organisation. The dependence on funding could lead organisations to re-establish principles to meet the needs of a funding body. Many are not interested in a charitable status as this means that they would have to acquire donations.

When prompted, some of the experts state that some exchange rings within charities did employ staff to organise their members and exchanges. However, these organisations are not part of the grassroots community of 'Tauschrings'.

Even though it is not a subject many activists and users talk about, one expert assumed that many activists are people with 'lots of time on their hands' such as pensioners or the unemployed. It is hypothetically possible that the new regulations (*Hartz4*) in which the unemployed are controlled more and are strongly encouraged to take up employment could have had an impact on the possible decrease of exchange rings (from 2006 to 2008). There are fewer activists around with 'lots of time on their hands'.

### *7.4.1. Users*

Most users are female; experts reckon that about two thirds are female. Users are predominantly between 35 and 70 years old. Experts assume that this is because the founding generation has aged and the organisations have problems addressing younger users. This is a recurring discussion within the exchange ring scheme.

Most users become members because of the social contacts and not because of their financial hardship. Students are traditionally least likely to become members because they are well connected for example using Facebook. The social component is a crucial moment in the organisation.

### *7.4.2. The role of the internet*

Within the here presented exchange-ring community, there are no exclusively internet-based organisations. As all experts claim, online exchange rings need social contacts to function. However, as one expert claims, *tauschen-ohne-geld* could have created the largest offline community in Germany as all software functions need to be available offline. Organizers need to be able to print out the local newspaper with all supply and demand offers. It was never the intention to create an online exchange ring, just an exchange ring which uses ICT.

Although *Ressourcentauschring RTR* wanted to use the internet to enable exchange rings to work across regions, interviewees recognised that users preferred to keep their activity local and indicated that only a handful of transactions are not carried out locally. Some exchange rings do not use the internet at all, for example in a Munich based organisation all transactions are individually documented by users. All users own an 'exchange journal'; this procedure allows users to control their data as they highly value their anonymity and do not want to disclose their transactions.

The new interactivity of web 2.0 has changed many features; however, these changes are introduced slowly. Even though a Facebook page of *Tauschen-ohne-Geld* exists, it does not get used much which was explained by the age structure of members.

## 7.5. Experience and insights of users

### 7.5.1. LoWi e.V. in Münster - context

The exchange ring LoWi e.V. is based in Münster, a town in North Rhine-Westphalia<sup>58</sup> in the former West Germany<sup>59</sup> with 290,000 inhabitants (Statistisches Bundesamt<sup>60</sup>). Münster is home to a large traditional university and other smaller higher education institutions with currently more than 50,000 students enrolled (source: Muenster.de).<sup>61</sup> There is an unemployment rate of currently 6.2 per cent (Bundesanstalt fuer Arbeit, August 2013) which is relatively low compared to the rest of 8.4 per cent for North Rhine-Westphalia.<sup>62</sup>

### 7.5.2. LoWi e.V. in Münster - operation

LoWi e.V. was founded in 1996 and is organized very professionally with an online administration, a steering committee and ten users working in the office. As one expert explained: “we are a small voluntarily-organized professional company.” He stresses the need to be well-organized and, some time ago, has written work plans using his quality management skills. There is a list with all areas of expertise for the steering committee, and all office tasks are well documented. This allows new volunteers to understand quickly the tasks expected of them. Couriers distribute the newspaper all over town. A budget, compiled by the steering committee, documents all the planned expenses for the current year. The times spent working in the office or otherwise for the organisation is compensated by a lower hourly rate than usual as users are expected to work partly voluntarily. However, some users donate their compensation and work fully on a voluntary basis. One activist's personal estimation was that there are about 70 to 100 transactions a month, which are divided in 60 per cent services and 40 per cent goods.

The LoWi e.V. website explains: We are exchanging with the use of ‘talents’. We are no time-based exchanger ring but we are market-orientated and negotiate prices individually using the time spends as a regulator, e.g. 20 Talents for each hour. As an example: Gabi want to celebrate her birthday party and is looking for somebody to serve drinks. Bruno offers to work as a waiter. Both agree on an hourly rate of 20 Talents. Gabi is happy, and after the party she will give Bruno a voucher. Bruno will then send the voucher to the office. The agreed amount of talents will then be shown as a credit on Bruno's accounts and Gabi's account will show the same amount as a debit. Now, if Bruno employs Andrea for baby-sitting, and Gabi teaches Martin juggling, both debit and credit will be in balance again. The values of the booked accounts are morally goods and debts – they are promises for quid pro quo. The website does not mention that the booking can also be done online.

Offers and demands for services and goods are published online on a mailing list and on a printed newsletter which gets published about four times a year. There are also regular meetings for members and activists, for example:

- A monthly regulars' table in a pub in which members can meet, chat, exchange but also discuss various subjects. This is used to help members to get to know each other and encourage transactions because ‘personal contact leads to trust’ (from the website).
- Every third Sunday, members can meet for ‘Kaffee und Kuchen’ (=coffee and cake). Again, this meeting is for members to get to know each other.
- Other social events, such as summer parties or Christmas parties regularly take place.

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<sup>58</sup> See [http://en.wikipedia.org/wiki/North\\_Rhine-Westphalia](http://en.wikipedia.org/wiki/North_Rhine-Westphalia)

<sup>59</sup> See <http://en.wikipedia.org/wiki/Germany>

<sup>60</sup> See [https://www.destatis.de/DE/ZahlenFakten/LaenderRegionen/Regionales/Gemeindeverzeichnis/Gemeindeverzeichnis\\_htm.html](https://www.destatis.de/DE/ZahlenFakten/LaenderRegionen/Regionales/Gemeindeverzeichnis/Gemeindeverzeichnis_htm.html)

<sup>61</sup> source: Muenster.de

<sup>62</sup> See [http://en.wikipedia.org/wiki/North\\_Rhine-Westphalia](http://en.wikipedia.org/wiki/North_Rhine-Westphalia)

Members are required to contribute to the organisation of the exchange ring: Members are charged with € 1.50 monthly and 48 Talents a year. Annually, there is a plenary meeting in which the actions of the steering committee are formally approved, and, if necessary, a new steering committee is voted for. The steering committee consists of chairman/women, two deputies and other elected activists.

Interestingly, most interviewed organizers were male and most users were female. Two of the six users have been LoWi e.V. members for more than 15 years whilst one of them became a member six years ago. Three of the members are employed in professional occupations whilst two are self-employed. All users and experts had internet access and they were all 40 years or older.

The following list summarizes some of the services offered and demanded by the interviewed users within the exchange ring:

- Courier jobs;
- Administrative jobs for the exchange ring; membership organisation;
- Creation and maintenance of the website;
- Looking after pets during owners' holidays;
- Hair cutting;
- Assistance with moving houses;
- Sewing, jam-making;
- Anything practical (i.e. help with cleaning the house, gardening);
- Massages and other health-related services;
- Organisation of children's or adult parties;
- Simple crafts (e.g. change of plugs, carpentry);
- Goods regularly exchanged are garden plants, self-made socks and slippers.

## **7.6. The role of the internet**

All users stated that they documented their transactions online. However, some other users do not use a computer and bring their transactions to the office to document.

Three mailing lists exist to help users to stay informed and get the kind of information they need:

- Supply and demand list. This list very strictly lists exclusively supply and demand and allow for a quick distribution of new offers. 180 users regularly get this list;
- Information list: Important information is distributed in this list to 140 users;
- LoWi e.V. mailing list distributes information from the steering group to all users with an email address (210 users).

### **7.6.1. Motivation**

Most users came to the exchange ring via personal contacts. One of the members stated that she was looking for project partners to qualify unemployed people; and even though they were not successful in their bid for the project, she was impressed by the idea of exchanging skills and goods. Another user quotes economic reasons: "If people help each other, I am able to afford things I usually could not do. Because I don't have the money, but if it is available in the exchange ring I can afford it." Another user stated that it is as if she had become a much larger circle of friends. One user said that she had a political-ethical motivation to be part of the exchange ring and cited the slogan 'benutzen statt besitzen' (using instead of possessing), and another user said he had seen something on the TV about exchange rings, liked the idea and was looking for a similar organisation within his area.

Users stated that all kinds of social classes can be found in LoWi e.V., from the unemployed to academics. Interestingly, practical skills such as carpenters, gardeners and so on are most sought after.

One of the experts explained that many users had experienced some form of changes, such as job loss, divorces, or the need for new friends after re-location and use the exchange ring to find new friends. Sometimes, these kinds of users leave the organisation after they have made new friends and the exchange ring has satisfied this need. Exchange rings offer the right mixture between intimacy and distance, a protected area in which contacts are built up easily. One of the users explained her situation before becoming a member of LoWi:

“I was very low, I mean, I was in a lot of debt after my company had gone into administration, I was a single mum. I had to move house, and even though I had many friends who were happy to help, I could not give them anything back. As a member of our exchange ring, I could ask for help but also others were happy to take on my work. I used the exchange ring as a therapeutic project. I was at an absolute low and within the exchange ring I noticed that I can do things. This has helped me enormously to build up my self-confidence. [...] Using my experiences both of the personal low point and within the exchange ring I learned that I can be self-confident, and I trained in a new occupation in which I still work”.

#### *7.6.2. Introduction of new members*

New members are obliged to take part in an information event before being allowed to become members. The participation at this event is absolutely compulsory as, as one user explains, “exchange rings attract the extremes and we don’t want to accept anyone who does not agree with the exchange rings values. It does not matter if somebody is rich or poor, or which job he or she holds. However, there has to be a common denominator; some form of mutual interest of sustainability. If someone is only interested in what they can gain from exchange rings, if somebody just wants to use exchange rings to get richer, this won’t work. It is important to explain to new members the possibilities of the exchange ring; for example there was an unemployed woman who thought that she could get free food on the exchange ring, and, no, we cannot do this. We rarely decline someone’s application but new members’ expectations need to be compatible with those of the exchange ring.”

The information event is conducted for a small group of two to three people so that they can get to know each other. In this induction event, new members are explained the basic skills to take part in the transactions: Members are expected to engage themselves, build up contacts and get active. One way of doing so is by introducing themselves in the information mailing lists, or to get to know other members in monthly meetings or at annual events (summer party, Christmas party). One user stressed that the amount of transactions increased with the lengths of membership as one gets included slowly, and the more one trusts other members, the better.

#### *7.6.3. Social contacts, Supply and Demand*

A lot of transactions are organized using social contacts, rather than offers in the mailing lists or the newspaper. One user stated “We are like a small village community, we all know each other, and this is how transactions get organized”; and another user described the LoWi e.V. as ‘a large circle of friends holding a large pool of skills which one usually would not be able to access otherwise’.

Members need to learn to present themselves and their skills, and adapt it to the needs of the community, as one expert said: “Some users offer some form of esoteric therapies and expect that they will find someone to fix their computer, or a plumber. In the normal labour market, this discrepancy between supply and demand is regulated by wages. In exchange rings, those members who cannot find demand for their skills, leave after a while.” However, persons leaving the exchange ring might result in economic problems as sometimes they did not manage to balance their individual transactional accounts. This leads to write-offs with creditors being those members

with many Talente on their accounts. Usually, they do not mind this as for these kinds of members; the social contact is in the centre of attention. 'Practically, many organisations are heavily indebted, but it does not matter'.

#### *7.6.4. Quality Control of services and goods*

In general, there is no form of quality control with regards to delivered goods or services. Users built up a reputation with word-of-mouth, and if they deliver poor quality, this will get passed and, if reoccurring, they will struggle to sell their services within the exchange ring. There is not institutionalized rating system (such as exists in larger internet-based companies such as eBay or amazon) but its introductions get discussed regularly.

One user stressed that the quality of the delivered work was not as important as the 'human communication is at the centre of transaction, and this is how it should be'. Another member, however, complained about the lack of flexibility and reliability of services from others in the exchange ring compared to services that she would purchase on the normal labour market: 'the services, it is always... it is not as important to deliver as if I had ordered someone to come in from a normal company'. When asked if this annoys her, she states that she finds it a pity and she hopes that the quality of services would improve over time.

It is problematic, however, if a user damages a good during the delivery of services; e.g. whilst helping somebody to move home. As one expert stated, it is recommended that users hold general liability insurance, and some exchange rings will only accept members holding this insurance policy.

### **7.7. Assessment of the impact on employment and employability**

Having presented the experiences and insights of organisers and experts, this section assesses the impact of these experiences on employment and employability.

#### *7.7.1. General comments*

One expert stated that they were not aware of any connections between skills learned or sold in an exchange ring and employability skills. He says 'everybody has skills outside from their jobs, and it is important to find out about them, to improve one's self-confidence'. Another expert was also sceptical about a possible increase of employability skills because of engagements in exchange rings: "I think exchange rings are mainly hand-on neighbourly help".

Many users tried to utilise the skills they already practice in their occupation, for example one user working as a PA who will help others in their correspondence with officials, or organizes other users' paper work. One of the users states that she uses existing skills that she would not be able to sell on the "normal labour market. And here, in the exchange ring, these skills get valued. And this worthiness of my skills, this is what I find fantastic. Outside of the exchange ring, these skills are of no value."

Another user working for the health sector stresses that she uses skills she developed at university but that she does not use in her normal every-day job. 'I deliberately separate between the skills I use for my job and the skills I sell on the exchange ring. I want to keep my professional skills where they belong to, and I want to be paid from the health sector for these skills'.

On the other hand, another user states that she has gained many people-skills from her work at the exchange ring, and that she enjoys engaging with other people outside of her normal social environment. "I meet many people and listen to their problems which I would not normally have contact with". She states that this was very helpful for her job. Some users stated the skills learned in exchange rings will give an advantage in the normal labour market. "I do think that you can learn self-confidence in exchange rings. So, for example, somebody who offers gardening in the LoWi e.V. manages to find a job as garden helper. (...). The experience of being in high demand at LoWi e.V. will help you to apply for a job'. Another user agreed, and explained additionally that, because of the exchange ring network, they would be able to communicate job offers and connections. "The exchange ring offers a safe space to try out new ideas. That does not mean that



all unemployed people can become employable in an exchange ring but for some it can be a big help.”

#### *7.7.2. Skill developed and needed to participate in exchange ring transactions*

Next to the skills sold for transactions on the exchange ring, experts and users state certain necessary skills for participation in the exchange ring. These, mainly social skills, are necessary to participate in the exchange ring, and, as one expert states, organizers attempt to convey these skills to members.

- Communication skills. Users need to communicate their abilities and skills to other members either personally in monthly meetings or in written form, for example in the mailing lists.
- Ability to handle conflicts. As one expert state: ‘one needs to be able to communicate exactly the tasks that need to be done. One example is that I order somebody to tidy up my apartment, and this person then decides on a new order and puts the socks to the LPs. Users need to be able to say: stop, this is not how I want things done here’.
- Written presentation skills. Transactions for services need to be advertised in the mailing lists and newspapers. One user explained that the skills are comparable to normal adverts in the newspaper. One needs to be able to summarize, present, categories services, and, in cases of exchanges of goods, their description.
- ICT skills. Users stated that they needed basic ICT skills to use the website. Some needed to ask at the office, for example how to upload a picture, but after a while understood the system.
- Voluntary help in the office. Volunteers are explained the basic tasks. Although organizers try to find suitable people, they intend to encourage users to learn new skills in order to integrate all members.

People without these soft skills, or with mental health problems, struggle in exchange rings. As exchange rings are managed by volunteers the support for members with mental problems or without these basic skills is limited. Every member is responsible for their own transactions. Therefore, as one expert concludes, in inner cities with high unemployment, exchange rings are not suitable. If exchange rings have too many people with social problems, they are overstrained; organizers are not social workers. In the worst case, it can destroy an exchange ring. Therefore, there are parallels between exchange rings and the ‘normal labour market’ – people not capable to participate on the ‘normal profit-orientated market struggle in exchange rings, too’. This might also be one explanation for the lack of exchange rings in regions with high unemployment.

Even though some experts state that there was no connection between employability and exchange rings, all users could provide examples either from themselves or from other users. Employability impact of exchange rings can mainly be located in the individual factors (e.g. individual’s economic position, their skills and attributes, their attitude to employment, their knowledge of the labour market) and circumstances (e.g. access to resources, caring responsibilities) of Green et al. (2012) framework, as the following quotations show.

- Users in exchange rings can learn and maintain new direct job-related skills, such as “Somebody explained a computer programme to me,” or “I helped somebody by editing his dissertation for his degree.” A more exotic anecdote refers to a member who aimed to pass the regional entrance test for getting registered as a tourist guide. He asked other exchange ring members to take part in his mock entrance test (a guided tour through the town). “Afterwards, we all provided feed-back so that he could improve his skills”. This also shows the safe environment of the exchange ring in which new skills can be tested; such as the example of a practitioner who took part in an additional health-related training course and needed people on which she could get experience in her new skills. After having

tested her skills on exchange ring members she successfully became self-employed as physical therapist.

- Some users offer direct help to find and maintain employment: “What I have done: I look at job applications and help people write their CVs and accompanying letters. I prepared this person for the job interview using some form of role play,” or another user states: “I offer help for people trying to become self-employed. In order to get funding (e.g. from the job centre) self-employed people need to write proposals and other reports. I help writing these proposals and reports as I noticed that especially people with practical skills often lack necessary writing skills”. Users stress that their help is compared to official help agencies (if existent) non-bureaucratic and addresses the individual’s needs.
- A main function of exchange rings that many users stressed lies in the gain of self-confidence. As seen earlier, many members enter exchange rings after having experienced some forms of break-ups such as divorces or relocations. The reciprocal element of exchange rings in which members experience that not only they can get help but also that their work is appreciated was often referred in the interviews: “I knew an unemployed engineer, and she was very shy. She used to work with dated machines and, for some reason, was not able to re-enter the labour market. In the protected area of the exchange ring, she offered ICT advice and gained further ICT skills. Today, she works for the local college and gives IT courses”.
- Another function of the exchange ring relates to networking: “For example, I might hear someone is looking for a new janitor in their job, and I know one person who has recently helped me with my new house. And I know this person is reliable; the parameters in which barterers within the exchange ring are evaluated are the same as on the labour market. So, I can pass on this knowledge.”
- Finally, other functions refer to the work-life balance of members and their employability environment. The following quotations can be seen as examples for this: “There was an advert: who will look after my mum whilst I go to work”, or “I always offer services in which I need to be active. I use the exchange ring as compensation for my sedentary job”.

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Title: CrowdEmploy Crowdsourcing Case Studies: An Empirical Investigation into the Impact of Crowdsourcing on Employability

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#### Abstract

In the current economic context where a key policy emphasis is on employment, this project aims to inform policy of new forms of work and ways to enhance employability mediated by ICT. New applications of ICTs are continually changing the practices and possibilities of work, the way that tasks are executed, how they are organised; labour markets – how human capital is contracted, exploited and developed; and the ways and places that people are able and choose to work and develop their working life. This report explores four areas of ICT-mediated work, crowd-sourced labour, crowdfunding, online volunteering and internet-mediated work exchange (timebanks), that have until now been little explored. However, over the last 10 years, they have established themselves and are growing in importance and impact. Very little research has previously been available that gives insight into how and why these services have been set up, how they are used, and their impact on people's lives. This report presents six in-depth case studies in the fields of crowdfunding, crowdsourcing for work and online work exchange systems for the exchange or recruitment of unpaid work. These cases are based on qualitative research, including long interviews with users and managers of the services, exploring motivations, to use, use practice, skills required and acquired, problems and challenges.

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