



THECROWDFUNDINGCENTER.COM

PRESENTS...



**CROWDFUNDING 2016:
HOW TO SUCCEED**

A GUIDE WITH TIPS AND INSIGHTS FOR YOUR CAMPAIGN...

PITCH REWARDS COMMUNICATIONS

TOOLS PLATFORMS INSPIRATION

AND MORE!

SUPPORTED BY DATA AND STATISTICS FROM



THECROWDDATACENTER

Crowdfunding 2016: How To Succeed

Supported by data from TheCrowdDataCenter.com

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THE CROWDFUNDING CENTER

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Crowdfunding: How to succeed

Crowd Fact

Every day over **\$1,750,000** is raised successfully by projects worldwide - that is over **\$72,500 per hour!**

Remember the Kevin Costner film Field of Dreams? If you build it they will come? Well they won't. Not to a Crowdfunding project. Not unless you do a serious amount of work in advance of launching your campaign.

Look objectively at your network. How many friends and family would support your project both financially and by sharing? How big is your online network? On Facebook, Twitter, LinkedIn etc? How engaged are they with you? Is your network broad reaching or fairly focused in one area, e.g. job specific or hobby related?

This is your primary audience, and you should aim to raise 20-30% of your target amount from this group within the first day or so of your campaign going live. Your secondary audience comes from the links to your project shared by your primary audience, your friends and family, so you need to make sure you give them the tools they need and the messages you want them to send.

Your tertiary audience is the group of people who don't know you, aren't directly linked to you, and will probably come across your project on the Crowdfunding platform you've chosen, by searching for a topic they like and finding your post in their search feed, or simply by coming across you at random.

This audience is the hardest to engage, so your pitch must be compelling, your rewards exciting, and your fundraising total rising to demonstrate

enthusiasm for your project – the latter will also give these strangers in your tertiary audience some comfort that you're not likely to take their money and run off with it. A stranger happening onto your project and seeing little engagement and 0% funding is unlikely to take a punt on you.

So start well in advance of your campaign going live by priming the pump, engaging your community, building the crowd, asking them questions relevant to your campaign so they know what you're up to, but you are also able to build their feedback into your project.

Project Pitch

All platforms have a step by step approach to building a Crowdfunding campaign. You'll be prompted at every stage to add information and most platforms will have popups or simple explanations at each point.

You'll be asked to provide a project title, short description, long description, images, video, social links and rewards, but the order in which you'll complete this does change across the platforms. Take your time to read the advice given and check the FAQs on your chosen platform before you start – make sure you have a PayPal account (and/or other) in order for payments to your project to be processed, and do your research into projects similar to yours at the outset.

When writing your project pitch, be passionate, enthusiastic, share your ambition and try to create an exciting, engaging pitch. Make sure you say upfront how much you're trying to raise and what it's for. Keep this brief, and then below start to explain why this project is so important to you. Explain where the idea came from, what you want to achieve, who will benefit and how, and then explain what you intend to spend the money on.

Make sure you use plenty of strong images (if they're not yours, please ensure you credit the originator) and make a video. It doesn't have to be professionally shot and digitally mastered by an Oscar winning crew with an all star cast, but it does need to look professional. The video should very clearly and concisely explain your project, perhaps with a demonstration or images of a prototype, but definitely with you and your team and maybe a few potential customers telling your story.

Rewards

One of the hardest parts of creating a Crowdfunding pitch is coming up with the rewards. You need a good variety of rewards ranging from as low as £1 upwards. Try and space them evenly without large leaps from £10 to £1000 with nothing in between. You need to offer at least one exclusive reward, something that people could never have unless they backed your Crowdfund.

Research your chosen platform and find out the average donation, then create your best rewards around that figure. A choice of two or three rewards around the average is best, it gives plenty of choice, and make sure that the bulk of your target can be delivered from this section of the rewards.

You must be able to fulfill the rewards you have promised, so please make sure you're not offering something that you can't deliver. If you have to pay for some of your rewards (maybe mugs or T-shirts, for example) do include that cost into your project target.

Finally, remember to check that the value of the rewards you're offering exceeds the target sum you're trying to raise. It sounds like common sense, but it's surprising how many forget to do the basic math.

Equity / ROI

If you're launching an equity Crowdfund then you still need to provide a video and tell a great story, but you'll also need to produce a solid business plan with robust financials that stand up to scrutiny from sophisticated investors.

The business plan and financials won't be viewable on the front page of your project, anyone interested will have to register with the platform as an investor before they can see this information.

So it's really important that the content you share on that first page hooks them in straight away. A sophisticated investor will want to know a number of things, namely how much you need and for how much equity, the exec summary of your business plan, what you're doing, why it's different, how it compares in the market place, the market size and growth potential and if your business is EIS/SEIS registered (for their tax benefit).

All equity platforms have a database of sophisticated investors who regularly support their campaigns, and some even offer pitching events so that Crowdfunders can talk directly to interested investors.

Communications

While you're writing the pitch, filming the video (a must for all campaigns) and coming up with ideas for rewards, you also need to be devising your communications strategy.

How are you going to launch the campaign? Press release? Blog? Across social networks? Which social networks will be your primary channels, the ones where your target audience lives? What messages will you be sharing and when? Who are the influencers you need to get on your side and how will you engage them? Can you do guest blogs or ask influencers to guest blog for you? Are there celebrities interested in your topic that might

share your project amongst their fans and how will you approach them to ask?

You need to be doing something everyday to raise awareness and drive traffic to your campaign so you need have this planned out in advance. Make sure your team shares the responsibility – and you will need a team for anything other than the smallest Crowdfund – and understands clearly who is doing what and when.

Be prepared for a lull in the middle of your campaign. Once the excitement of the launch is over and the money stops trickling into your project it's essential to keep going and not become disheartened. Make sure your communications strategy addresses this, and that you have exciting plans in place to prevent the project from plateauing half way through. The final days in the run up to the project closing will be incredibly busy, but equally exciting.

If you're on course to reach target, don't slow down. Remember you can always raise more than your target so keep going. Make sure you explain in your project what you will spend any additional funds on and encourage people to keep giving.

And if your target is still a good stretch away, dig deep, work harder, be more active online and consider offline activities to support those efforts. Are there people you can phone to ask to support you? Maybe some family and friends said they would give you some money but haven't done so yet, give them a call. Or maybe there's a networking event or party coming up that you can go to and spread the word about your campaign.

Finally, please don't forget to ask for the money. Asking for an RT or a share is great, but it won't put £££s or \$\$\$s into your project. Don't just ask for support, make it a specific ask, "please give £10 and choose one of the fantastic rewards we've got for you".

Tools

There are lots of Crowdfund marketing tools out there that you can build into your campaign communications plan – check out Thunderclap, for example, which has been described as Crowdfunding for social shares. All you need to do is upload the message you want to share (about your Crowdfund, obviously) and encourage other people to “donate” their social followers. As soon as you hit a pre-determined target, your message is sent way beyond your own personal following.

Crowdfunding Experts

As is always the case when a new phenomenon bursts on the scene, “experts” crawl out of the woodwork and offer consultancy services. If you need help with your Crowdfund, help you can’t get from the platform you have chosen, then you need to be prepared to pay for additional support (remember, you can add this cost into the total amount of money you are trying to raise).

But again, make sure you do your research, check out which consultants have direct experience of not only Crowdfunding in general (ask how many successful Crowdfunds they’ve supported, and if they’ve ever Crowdfunded themselves), but Crowdfunding for your particular project (what’s the rate of success of such projects and which influencers can they bring to enhance your campaign?)

How do I find the right platform for my project?

There are huge number of Crowdfunding platforms out there. Some have a specific niche (eg: Music, Film etc) others are open to most types of crowdfunding project regardless of category. Finding the right platform for your project is important if you want to succeed and looking at the past performance of projects on the platforms and their categories will help you make an informed decision. You can use the 'Find A Platform' tool at

thecrowdfundingcenter.com/find_a_platform to search Crowdfunding platforms by category, country and also by relevant keywords to find the sites which match your requirements. For a more broad approach you can also browse all of the platforms in the directory at thecrowdfundingcenter.com/platforms. Additional analytics and insights about platforms, projects and categories success is available at thecrowddatacenter.com

Where can I find similar projects for ideas and inspiration?

You can use the project discovery tools on TheCrowdfundingCenter.com to find projects similar to you own which will help give you ideas and inspiration of what you can do with your campaign. Simply visit thecrowdfundingcenter.com/projects and find projects in your category with a similar target and find out what is working for them. Seeing what others have offered as rewards, what goals they have set and how successful they have been will give you a great set of benchmarks to work from to make sure you are heading for the best chance of getting funded.

Is there more information I should look at?

TheCrowdDataCenter.com provides real insight into how Crowdfunding is flourishing and gives you the chance to analyse what is the best direction for your project. There are various levels of access which can help you out whatever stage of the crowdfunding process you are at. Visit thecrowddatacenter.com to find out more and explore the tools available.

Useful resources

Here are some more useful guides and links to help you on the way..

TheCrowdDataCenter Quarterly Report

<http://thecrowdfundingcenter.com/report>

TheCrowdfundingCenter Crowdfunding Charts

<http://thecrowdfundingcenter.com/charts>

http://thecrowdfundingcenter.com/charts_active

Crowdfunding Can Be Really Effective - If You Know What You're Doing

<http://www.entrepreneur.com/article/234516>

Crowdfunder.co.uk - Crowdfunding How To Guide

http://www.crowdfunder.co.uk/uploads/projects/cf_how_to_guide.pdf

Indiegogo's Crowdfunding Field Guide

<http://landing.indiegogo.com/iggfieldguide>

Indiegogo's Ten Myths About Crowdfunding

<http://landing.indiegogo.com/10-myths-of-crowdfunding>

Kickstarter's Creators Handbook

<https://www.kickstarter.com/help/handbook>

RocketHub's Success School

<http://www.rockethub.com/education>