



What is Crowdfunding?

Crowdfunding, sometimes called crowd financing or crowd sourced capital, is where an individual or business puts an innovative business idea on a crowdfunding website for others to contribute financially to. Anyone can 'pledge' money towards a project because they either have confidence in the concept or because they would like to receive one of the rewards that the project initiator may offer. Crowdfunding occurs for any variety of purposes, from disaster relief to funding events, to artists seeking support from fans.

Tips

- Set realistic targets
- Crowdfunding only works for tangible outcomes
- Don't assume your networks won't give
- 60% of campaigns are successful
- Most campaigns run 40-50 days
- Only 10% of your database will give

Why People Pledge

- They like you
- They're passionate about your cause or like your story
- They are after the (great value) rewards
- They are spurred on by social kudos

Platforms

- givenow.com.au (no admin fees for not-for-profit orgs only)
- Pozible.com
- Kickstarter.com
- Sponsume.com
- Indiegogo.com
- Thunderfunds.com
- Chuffed.org

Project Description

- Be convincing – who you are and why you are qualified
- Be specific on what you'll spend the money on
- Has to attract the 'third tier' - friends and family, friends of friends. Third tier requires logic and has to appeal to why people pledge

Rewards

Rewards don't have to be tangible. They can be a fun experience, an email, lunch invitation, a special visit or chance to collaborate. Campaigns that hit 30% of their dollar target succeed 90% of the time. The most commonly pledged amount is \$50.

Rewards can be for example:

- Pledge \$2 or more and I'll send you an email of thanks
- Pledge \$25 or more and I'll send you a signed copy
- Pledge \$50 or more and I'll have your name printed in the acknowledgements
- Pledge \$100 or more and I'll name a character after you

Promoting Your Campaign

Before the campaign begins

- Set up a blog, build an email database and seek out as many media campaigns as you can
- Set up social media profiles and build a following. Facebook is the #1 referee to crowd funding platforms, followed by You Tube
- Prime your closest networks first for quick take up. You need to reach 25% of your target before strangers start pledging

During the Campaign

- Continue blogging
- Speak to as many people as you can. Find other groups and let them know about your campaign, and let them share the passion
- Link your project on any website you can
- Drive your social media
- Don't just ask for money; update the status of the project and the campaign
- Thank your pledgers and ask them to tell their friends via Facebook

Post-campaign

- Deliver promised rewards on time
- Update pledgers on project
- If you were unsuccessful, you've gained experience, a database and a band of proven loyal supporters.

Statistics

- 45% of all projects on crowdfunding platforms are successfully funded
- Best suited for campaigns between \$1,000 and \$30,000
- Campaigns that hit 30% of their dollar target succeed 90% of the time
- The most commonly pledged amount is \$50
- The most common time for making pledges is 11am
- Campaigns with a video raise 122% more in funding

Good luck!