

GetFunding

CROWDFUNDING CAMPAIGN GUIDE

FOR INDIVIDUALS, GROUPS, ORGANISATIONS AND COMMUNITY PROJECTS

This guide is based on years of experience assisting people to raise funding and attract funding opportunities to projects. We have assisted individuals, small and medium size businesses, inventors, and budding entrepreneurs just like you. Our hope is that this guide will help you get started scoping your campaign, whatever it might be.

USEFUL TERMS

Crowdfunding is asking for money from a group of potential supporters. Using online tools at getfunding.com.au you can collect individual donations from a diverse group of supporters, which can add up to the larger amounts needed to complete your objectives.

Rewards are valuable goods and services offered to supporters in return for donations. Rewards allow a project to entice more supporters and allow supporters to receive unique items, products or experiences while their money goes to support your project. This loop of giving and receiving is a powerful fundraising tool.

"Keep It All" Campaigns - All donations will go to the project creator regardless of whether the campaign target is reached. This will allow the project creator to use the funds raised for their cause. "Keep It All" campaigns fall into the categories of: Community, Charity, Emergencies, Medical and Research.

"All or Nothing" Campaigns - Donations will go to the project creator only if 100% of the funding goal is reached before time runs out. If the goal is not reached, all donations are returned and no rewards are delivered. "All or Nothing" campaigns fall into the categories of: Animal, Business, Creative, Education, Environment, Events, Fashion, Film, Games, Music, Other, Photography, Social Enterprise, Sports, Technology, Travel and Weddings.

**80-90% OF THE PEOPLE WHO END UP FUNDING
YOUR CAMPAIGN WILL BE DRIVEN THERE BY YOUR EFFORTS**

GETTING STARTED

It is important to realise crowdfunding is NOT easy money. You will have to work for every dollar you raise. Setting realistic goals and having a clear, simple and honest narrative is the best way to achieve a successful outcome.

A good campaign has: Memorable messaging; Direct calls to action; A clearly explained, reasonable funding goal.

BUILDING YOUR CAMPAIGN

Define your project, the more focused and specific your goals are, the easier it is to develop trust with potential supporters. Before you build your campaign, be clear about your project's scope, and see if you can make it more tangible, concrete and realistic.

Your campaign needs to have:

- ✓ A video clip or some good quality pictures or both. These should explain and/or describe succinctly the **story** behind your Project.
- ✓ A clear and simple **description of your campaign**.
- ✓ A short narrative on **your background**.
- ✓ **The amount** you hope to raise and how it will be used.
- ✓ If rewards are going to be used, provide a clear description of the **rewards** offered to the donors when the campaign has finished.
- ✓ Regular feedback to your donors throughout your campaign.
- ✓ A process that will see the donor receive regular updates on your campaigns progress as a result of the funding raised.

YOUR STORY

Your project page is where you get to "Pitch" your idea/project to potential donors.

It is important to use your video clip and/or pictures to quickly and clearly communicate your idea and describe what you are trying to achieve to the reader. Your video doesn't have to be a polished MGM production but a simple, clear and honest disclosure that will enable the viewer to quickly grasp what you want and why.

A campaign video is the single best way for you to make a human connection with your supporters. Campaigns with videos raise double the funds of those without. Make your video a window into your personal story. Show people that twinkle you get in your eye when you share your project and let them know what it means to you and the people you will impact.

Here are a some points to consider when developing your campaign video:

- ✓ Videos shouldn't be more than 3 minutes long.
- ✓ It's not the production quality of your video that is as important. It is being able to express and convey passion and commitment to your project so that a potential donor is infected by your enthusiasm and honesty.
- ✓ Make sure you appear in your video.
- ✓ If you know how, using music can help make the emotional connection. But don't go too corny or repetitive. If in doubt, leave it out.
- ✓ Offer a clear call to action.

PROJECT DESCRIPTION

When developing your project description it is important that your story enables you to make an emotional connection within the first two paragraphs, therefore consider carefully what you will say in these important first moments.

Here are some points to consider when developing your project description:

- ✓ Invite donors to ask question or to clarify points of your story. This will result in feedback for you and valuable indirect input into your idea.
- ✓ Support your description with plenty of good quality pictures to emphasise your point of view.
- ✓ Don't be modest and explain all the hard work you have done to date but be modest in being honest about the areas of expertise you feel you are lacking or weak in and invite constructive advice or suggestions. People like to feel part of something and involved, it adds value to their participation.
- ✓ Share the story behind your project. Raise awareness to the progress you've made so far and include photos of early prototypes and descriptions of the research you have done to date.

FUNDING TARGET

Start with the smallest amount you need to raise then work out your “Social Network” (all those people you know and the people they know in their networks) then test your ability to raise the amount you need based on the average donation being around \$75.

\$75 IS THE AVERAGE INDIVIDUAL DONATION MADE TO A CAMPAIGN ON CROWDFUNDING SITES. ADD UP HOW MANY PEOPLE YOU KNOW WHO WILL SUPPORT YOUR CAMPAIGN AND MULTIPLY THIS BY \$75. DO YOU NEED TO INCREASE YOUR SOCIAL NETWORK?

For example: If you need to raise \$4,000 for your campaign divided by \$75 that means you will need to attract 54 donors. Is this possible? What would be your strategy to access 80 potential donors using your current social networks and would you consider giving up part of your business for an equity investor.



This simple calculation can show you how realistic your goal is with your **existing network**.

You can adjust the scope of your idea to help make your funding goal more easily obtainable.

If your social network accounts for a good portion of your funding goal **before** you launch your campaign then you stand a much better chance of reaching your goal.

CAMPAIGN REWARDS

“Keep It All” projects do not need to offer rewards, however, should you be able to offer some form of reward, this improves your chances of reaching your funding goal.

Many donors will simply want to help and some will want some form of reward or incentive.

Coming up with great rewards can be the most challenging part of your campaign development. To be successful requires you to have an understanding of who your supporters will be and what they want for their \$\$\$.

KNOW YOUR AUDIENCE!

80 – 90% OF THE PEOPLE WHO FUND YOU WILL BE DRIVEN THERE BY YOU. SO WHO ARE YOU DRIVING TO YOUR CAMPAIGN AND WHAT MIGHT THEY WANT?

Don't assume that your donors are faceless money-givers. Think about your donors and what their motivation for giving may be.

A crowdfunding campaign will generally have a minimum of 4 reward levels, and experience tell us that no more than six reward levels is recommended. It is very important that any cost involved in delivering these rewards is carefully planned and allowed for in your budget.

Rewards offer a way to show gratitude to your supporters and allow them to form a stronger connection with your cause. They're a tangible reminder to your supporters of the part they have played in getting your project off the ground. The more directly relevant they are to the impact you'll make, the more connected supporters will feel towards your cause. The best rewards are unique, relevant and desirable.

The feeling of participation can often make low-value items more desirable. Instead of "\$10 gets you a sticker" think about \$10 gets your name on our featured list of donors and we'll send you an "I supported it" sticker so you can always remember the project you helped make possible.

WHAT CAN YOU OFFER THAT IS UNIQUE TO YOUR PROJECT AND HAS THE ALLURE OF EXCLUSIVITY OR SPECIAL TREATMENT?

SOMETIMES LIMITING REWARD AVAILABILITY AT HIGHER % LEVELS INCREASED THEIR VALUE.

People have a keen sense of value so don't expect them to go for "everyday items" at high prices. When creating a reward, put yourself in the donor's shoes and ask "how much would I pay for this?"

Some of the most popular categories include:

Recognition

- This could be a personal email/letter thanking them for their support.
- A bumper sticker acknowledging their contribution to your business.
- Their name or logo on your web site acknowledging their financial support.
- Special recognition or unique marketing experiences.
- To be named as a contributor or supporter in a published journal.

Experience

- Access to one of your events.
- Meet you in a one on one time personally, on phone or Skype.
- A workshop or event at their home or workplace.
- Join or co-host with you at an event.

Items

- A copy of your book.
- A free project product.
- A framed certificate of appreciation.

RATHER THAN OFFERING “GENERIC REWARDS” THAT COULD BE FOUND ANYWHERE, THINK OF WAYS TO MAKE YOUR REWARDS FEEL EXCLUSIVE TO YOUR PROJECT. CONSIDER THAT WHEN PEOPLE GO TO PERFORMANCES THEY OFTEN PAY PREMIUM PRICES FOR ITEMS THAT SERVE AS MEMORABILIA FOR THAT ONE MOMENT IN TIME.

PROMOTING YOUR CAMPAIGN

Understand your community and identify the people out there who care about your project and what aspects are most valuable to them, this lets you make stronger and broader connections.

Create a promotion, having a well-thought out plan of attack gives you the opportunity to capture the ideas and contributions of everyone in your networks, and takes away the stress once a campaign goes live. Decide how frequently you'll promote your campaign to each group over each medium, and set a timetable with reminders you to make sure you follow through.

Start strong, line up a team of initial supporters to pledge the minute your campaign goes live.

Campaigns that receive more pledges on the first day and first week of launching historically have an extremely high success rate.

Promote online by creating email lists and of course, you will need a social media campaign.

Consider creating a Facebook Event - the functionality can be better than Fan Pages and gathering everyone together at the same time will create a spirit of community giving. Twitter is very effective for progress updates - consider regular feedback.

Harness the press! Would your local newspaper be interested in writing about you? Crowdfunding is a fascinating topic for many audiences, so write up a press release and get in touch with relevant media outlets to share your story.

Go offline! Old fashioned flyers, letterbox drops and real world launch parties offer face-to-face connections and can have a surprisingly large impact, especially if your cause is relevant to a local geographic community. Ask your supporters to hold house parties with laptops set up for pledging on the night.

COMMUNICATING WITH DONORS

Update your Donors regularly

As the funds start to flow in, the excitement should be flowing out. Generate buzz around your campaign with progress updates and announcements of major donors.

Thank your Donors

Make your donors feel appreciated and involved. Take them with you on your journey.

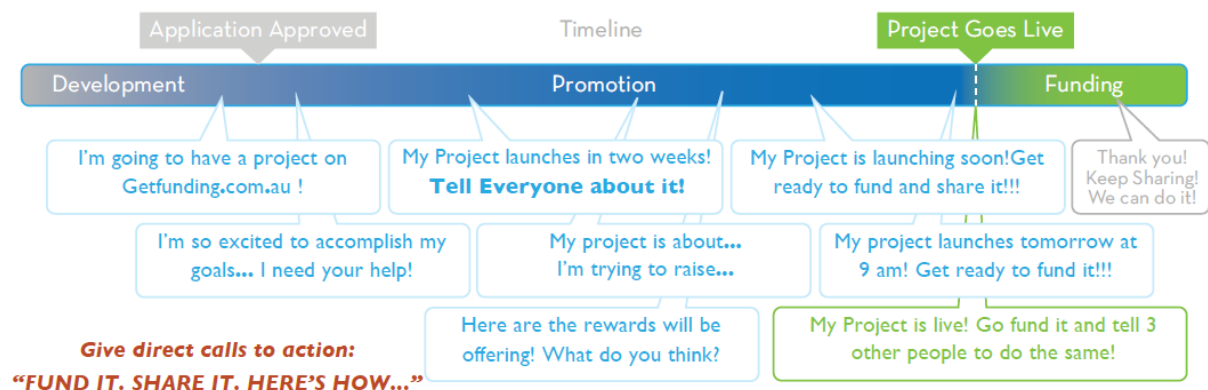
Share your success story

When you've used the funds your donors pledged, they'll want to know about it. Send pictures of what the money has been used for showing how a donor's money has helped build a better future. You never know, you may need their help again in the future.

DO A PRE-LAUNCH

A study found that students in a crowdfunding class had an 80% success rate crowd funding their projects when they did a pre-launch of their crowdfunding campaign.

This is how you can grow your social network **before** your project campaign launches!



The one factor shared among successful projects is a 3-month or greater publicity campaign before the campaign is launched.

Before a new movie is released, it is publicised weeks, even months in advance. The same applies to your campaign.

THE POWER OF CONNECTING WITH YOUR COMMUNITY

Connect with groups & organisations as well as the social networks around you and leverage your funding opportunities.

Thanks to the internet and social media, it's easier to find and connect with people who share your passions. This leads to more effective and efficient ways of reaching the right people who are willing to open their wallets to fund your campaign.

One of the key strengths of crowdfunding is its ability to leverage the power of social media to build widespread support for a project. While many crowdfunding campaigns begin with those closest to the project's creators, social media is the best way to reach beyond these immediate friends and family. It is a highly efficient way to let your wider network of friends, acquaintances, colleagues and business contacts know about your crowdfunding campaign.

Don't be limited by just your own networks.

Search Facebook, Twitter, Instagram and other sites for groups, who may be like-minded, for example: If your project is based around a product, search for other groups in and around that space and invite them to view your campaign. Be sure to encourage your social media contacts to spread the word within their networks also.

Tapping into the networks of your supporters is the essence of Community Collaboration.

Unlike usual funding methods, where the funds come from a single entity or a tightly knit group, a crowdfunding campaign leverages social media to pitch the project to the mass-market for achieving its financial goal.

The whole idea of a successful crowdfunding campaign should be to share the passion that you have for a specific project in order to get the audience excited about it.

Using social media and the idea of six degrees of separation, you can rely on members of your initial core community to reach out to their respective communities and ultimately create a viral distribution campaign.

THE FUNDING CURVE

The majority of crowdfunding campaigns follow a typical funding curve called the “U” Curve.

This occurs when there is a spike in funding when the project launches. The project is new and exciting and if you have done your marketing, supporters will be primed to fund it.

THE “VALLEY” OF DEATH!

AFTER THE 1ST SPIKE, FUNDING ACTIVITY STEADILY DECREASES OR CAN EVEN COME TO A HALT. THIS IS BECAUSE THE CORE GROUP OF SUPPORTERS HAVE MADE THEIR DONATION AND OTHER POTENTIAL SUPPORTERS ARE WAITING TO SEE WHAT HAPPENS.

The goal of your pre-launch publicity is to make this spike as big as possible. Ideally the project should have enough support ready to pass the 50% mark in the first days after launching.

Don't be discouraged. We have already mentioned that crowdfunding is NOT easy money, it can be tough and that is why it is important to know the “U” curve is coming and be prepared for it.

Remember, there is another spike coming as long as you continue to work hard and keep pushing your campaign.

The Valley can be made shorter with a shorter campaign duration (30 days). Shorter campaigns require more planning but keep the excitement going.

Use this time in the Valley wisely and plan your final push. Keep building your networks.

Most of all: Don't give up. As the project reaches its final days, there needs to be a sense of urgency that should be included in all messaging.

If you do this correctly, the 2nd spike can be the most fruitful time in your fundraising campaign.

Even if the odds appear to be against you – NEVER GIVE UP.

Good Luck & Remember: We are happy to talk to you if you have any questions.

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