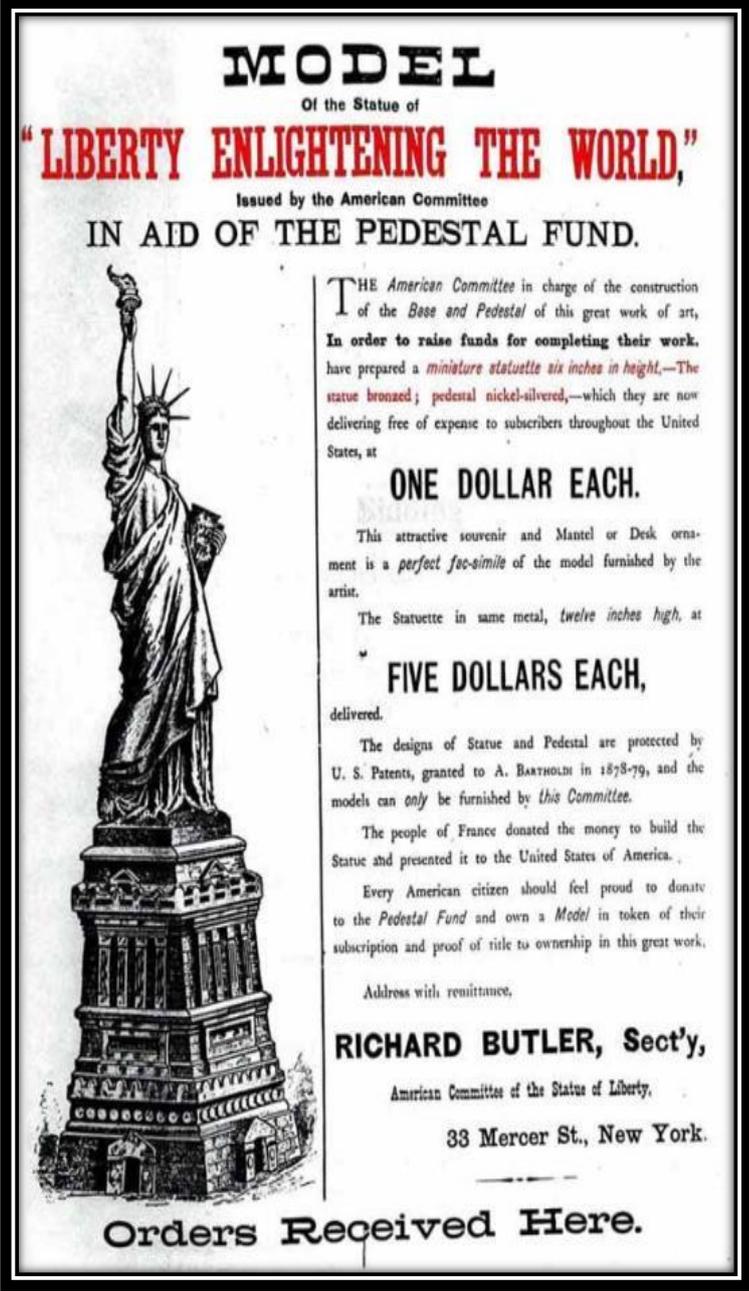


A Quick Guide to Crowdfunding

Crowdfunding: the practice of funding a project by raising small amounts of money from a large number of people within a certain amount of time, typically via the Internet.



MODEL
Of the Statue of
"LIBERTY ENLIGHTENING THE WORLD,"
Issued by the American Committee
IN AID OF THE PEDESTAL FUND.

ONE DOLLAR EACH.

FIVE DOLLARS EACH,

Orders Received Here.

RICHARD BUTLER, Sect'y,
American Committee of the Statue of Liberty,
33 Mercer St., New York.

Crowdfunding has been in existence for longer than you might expect.

In the 1880s more than 120,000 people donated money to construct the base of The Statue of Liberty. Even earlier that this - many people describe the building of the Tabernacle as an early form of crowdfunding.

Whatever the history, the key thing about crowdfunding is that it is open and possible to all.

Crowdfunding can do more than raise funds, but it needs time and commitment from people who understand how to use the platforms and social media.

Success is not easy and most platforms simply don't work.

On average 21% of campaigns are successful, with an average of £7000 being raised¹.

Campaigns are most successful when they are fundraising for a specific project with a specific goal in a specific time period - 35 days for optimum success. Like many things, most of the hard work is done in the planning stage.

Why Crowfund?

- Raise money (unrestricted, but you must use the money for the stated purpose)
- Build your audience
- Market to your audience

- Get new donors
- Social validation

Types of Crowdfunding

- Flexi-funding – you can take whatever money you raise whether you reach the target or not.
- All or Nothing – you must reach the target, if you don't you cannot keep any of the money. This works well for something with a set outcome and cost.

It is better to build crowdfunding into your fundraising strategy rather than just do it as one off as it takes time and energy.

Why Do Campaigns Fail?

- No crowd - you need to reach an audience
- Unrealistic target
- Unwanted product
- People just don't care
- Just an idea
- No trust in organisation
- No pictures
- No pre-planning

6 Keys Steps to A Successful Campaign

1) Planning

This is probably the most important part. Spend a minimum 8 weeks planning your crowdfunding campaign including all your engagement and marketing activities. Avoid running your campaign during July and August as people don't tend to give over the summer.

2) Storytelling

Use evidence and facts, talk about needs etc... People need real people and situations to connect with a project.

3) Build Your Crowd

The 6 degrees of separation - *the idea that everyone in the world is six or fewer steps away from each other.*

Start with your existing audience – the first 30% should come from them so work out who is good for what:

- Cash
- Contacts
- Expertise
- Influence
- Passion
- Time

Use social media and your mailing list (check permissions for mailing lists - GDPR).

The rest of the money will come from people who like your project and know about crowdfunding. Target your message to meet the different audiences.

- Find people who are big on social media to retweet your campaign; use social media groups. Encourage people to like posts, leave comments and tweet.
- Use the local press to promote your campaign
- Look at the networks of your crowd such as local clubs, meetups
- Link to events and local media
- Look at local businesses on LinkedIn and networking events
- Use google alerts
- Link with colleges
- Update landing pages
- Look at forums
- Look at guest blogs

4) Create the Perfect Project Page

Your audience will make a decision in about 4 seconds, so make sure your page has:

- A catchy short title
- Good video and imagery (a video should be a maximum of 2 minutes long and needs a good thumbnail image)
- A story to connect with
- An easy to understand explanation of the problem and solution
- Proof that it works

The order:

- Problem
- Solution
- Examples of how it can help the audience
- Details
- How you got here
- Team
- Financials – long term

5) Communicating the Campaign

Write as much as you can before your campaign starts e.g. the launch, then updates when there are two weeks to go, one week to go etc...

6) The Follow Up

Thank people and keep them updated. GDPR - in the campaign ask people to tick to give their details so they can be kept informed.

When successful - remember to thank people. If you exceed the target you must explain what you will do with the extra money.

Which Platform Should I Choose?

FREE isn't necessarily the best. Avoid **GoFundMe** as it is associated with a lot of scam campaigns, similarly **BT MyDonate** and **virginmoneygiving** are not recommended.

Kickstarter is great for products but not charities

Chuffed and **crowdfunder** are the best for the UK (chuffed is also very good for the USA, Canada and Australia)

Globalgiving are a bit uneasy about religion

Space Hive focus on all or nothing campaigns; they are good for big community centres

Indiegogo is good if you are not interested in Gift Aid

Other Tips

- Launch the campaign - 2/3pm on Tuesdays and Wednesday in the first week of the month has proved to be the best time
- Make sure all of your social media platforms reflect the crowdfunding page – change banners, photos and profiles
- Include a note about the campaign at the bottom of your emails and any out of office messages
- Just one spelling mistake decreases your chance of being funded by 13%.
- The absence of a video decreases your chance of being funded by 26%. The video **MUST** have good content, but it does not have to be professional quality.
- Once you reach 50% of your goal your chance of success is 95%
- Specific product – clear, no ambiguity or room for different interpretations
- Specific funding goal – don't round up or down.

These notes were taken at the IoF FICO Spring Conference on the 22nd May 2019. All the information, facts, figures and tips are courtesy of **Jes Bailey, Founder of Crowdfund 360** who report to have an 86% success rate raising funds for charities, with an average of £17,000 raised per campaign.

www.crowdfund-360.com