What is Crowdfunding?

“The practice of funding a project or venture by raising many small amounts of money from a large number of people, typically via the Internet.”
Crowdfunding is a growing trend:

Up in 2014 to $16 billion

Crowdfunding is expected to raise $32 billion in 2015!
- looks like this trend is here to stay.
Statue of Liberty – Pioneering Crowdfunding in 1884

Orders Received Here.
Reward Based
• **Campaign** - The term for a crowdfunding project, usually around 1 month in length.
  
  “Have you seen that T-shirt company’s Kickstarter campaign?”

• **Goal** - The minimum amount your campaign must raise to be funded. It cannot be changed once your campaign starts.
  
  “Yeah, they passed their $10k goal yesterday!”

• **Backer** - The term for a crowdfunding customer.
  
  “Good, I was one of that campaign’s first backers!”

• **Pledge** - A verb to describe what a backer does when they support your campaign.
  
  “I pledged $10 for that epic T-shirt with the giant shark on it!”

• **Reward** - What the backer gets in exchange for their pledge.
  
  “I cannot wait to get my T-shirt reward!”

• **Fixed Funding** - Example: Kickstarter.com - If you do not reach your goal, you get absolutely nothing, none of your backers get charged, and the platform does not take their fee.

• **Flexible Funding** - Example: Indiegogo.com - they take a 9% fee if you do not make your goal, and 4% if you do.
Why would a person or business Crowdfund?

• No debt and no loan payments
• No giving up equity to investors
• Test market demand for your idea without risking losing your savings, or going in debt.
• - Inventory forecasting
• - You get EARLY feedback. – Before it’s too late to make changes.
-The backers often feel more connected to your brand or venture because they helped create it - they often become your biggest advocates: *if you deliver rewards that exceed their expectations.

***BUT*** you have to fulfill the rewards if your campaign is funded! If you are going to Crowdfund, please, be conservative. There have been campaigns that reached their goal, but under estimated the final cost of production and fulfillment and lost a lot of money!
Warm and fuzzy inspirational example: If you fail you can iterate and try again.
My #1 Take Away From My Little Experience doing a campaign, and from 3 Courses & Expert Consulting:

• The prelaunch work you put into your campaign and marketing will determine how successful your campaign will be.

• The platforms such as Kickstarter and Indiegogo will not generate very much traffic to your campaign page by themselves.

• The first couple of days determine the momentum that your campaign will (or will not) have.
How to Plan Your Campaign

• Research similar campaigns to yours.

• Start marketing and collecting potential backers’ emails - ideally months before your campaign starts.

• Make a list of “influencers” contact info: media journalists and bloggers who wrote about those successful and similar campaigns. (More on how to do this below)

• Send your press releases out at least 3 weeks before you launch, but embargoed for the date of your campaign launch.
How to Research Similar Campaigns

• **Kicktraq** - For seeing data from expired campaigns. Good graphs on day to day data for every campaign.

• **Bit.ly** - For measuring traffic, look for spikes on certain days. Called “bitlink” or “short link”.
Remember... rewards are IMPORTANT

• Most consumers prefer to get instant gratification... backers often do not get their rewards for a year or more in some cases... it is a LOT to ask of someone to BUY YOUR PRODUCT MONTHS BEFORE THEY’LL GET IT

• I show some examples later... There are many ways to make it worth it to your backers to support your campaign despite, if reward based project, being an inconvenience for them...

• For example, you can offer a discount, or something exclusive, or something personalized. MOST SUCCESSFUL CAMPAIGNS OFFER SOMETHING SPECIAL FOR THEIR BACKERS.
How to research campaigns: Boot Company

Brooklyn Boot Company
by Brooklyn Boot

857 backers
$117,817 pledged of $50,000 goal
0 seconds to go.

Funded
This project was successfully funded on October 15

We're making top-quality boots in the USA and cutting out the retail markup in order to make our products more accessible.

Brooklyn Boot
Martinsburg, PA Footwear
See full bio Contact me
Boot Company Research Example:

How to use bit.ly, click “share” then “embed” to find “bitlink”

This is what you will then see, copy the short link – AKA “bitlink”

We're making top-quality boots in the USA and cutting out the retail markup in order to make our products more accessible.

Martinsburg, PA  Footwear  Share this project

Story  Updates (10)  Comments (131)

Brooklyn Boot Company
Brooklyn Boot

We’re making top-quality boots in the USA and cutting out the retail markup in order to make our products more accessible.

Martinsburg, PA
Successfully funded!

Project short link

http://kck.st/1m89hwb
Continued Boot Company Research:

Just paste the short link and add a “+” to the end:

Look for spikes in traffic, like October 4th and 7th (you can sometimes see the source just by scrolling down):
Cont. Boot Co Research – Kicktraq graphs
Cont. Research: Search Google for articles posted within 24 hrs of the spike in pledges:

Google search for "brooklyn boot kickstarter"

The One Fall Essential Every Man Should Own
www.huffingtonpost.com/.../boots-fall-brooklyn-bo... - The Huffington Post
Oct 7, 2014 - We teamed up with Brooklyn Boot Company, a new label on Kickstarter that creates American-made boots and sells them for a fraction of the cost (by selling ...

Brooklyn Boot Company Kickstarter- retail $175 but early ...
www.reddit.com/.../brooklyn_boot_company_kickstarter_retail_175... - reddit
Oct 7, 2014 - Hmm another Kickstarter for made in America boots that can cut out the middle man and save me tons of money. I can't help but feel there are going to be a lot of ...
Winner Winner:

January 23, 2015
HUFFPOST STYLE

The One Fall Essential Every Man Should Own

The Huffington Post | By Michelle Persad
Posted: 10/07/2014 9:47 am EDT | Updated: 10/11/2014 9:59 pm EDT

Guys, we get it. Going shopping and dropping a wad of cash on a new wardrobe is less than appealing. But come fall, there are definitely a few items that need updating -- namely your footwear. Instead of buying a cheap pair of boots that will fall apart after one season, why not invest in a pair that you can wear for decades? Just think, you won't have to set foot in a mall this time next year.

We teamed up with Brooklyn Boot Company, a new label on Kickstarter that creates American-made boots and sells them for a fraction of the cost (by selling direct-to-consumer instead of through retailers), to show just how versatile good quality boots
Successful Example: Socks made from coffee
Successful Example: Band Funds Their New Album

FUNDING SUCCESSFUL

Pre-selling our last album on Kickstarter was so fun that we are doing it again for our new album AND an MRD poster art book!

Indie Rock

Backers: 3302
Average Pledge Per Backer: $84

Funded: $278,389 of $150,000
Dates: Nov 5th -> Dec 5th (31 days)
Project By: Murder by Death

TAGS:
New shoes, no tags yet.

VISIT PROJECT

SHARE 3.7K

Funding Progress | Daily Data | [Exp] Projection | [Exp] Trend | Mini-Chart

Pledges Per Day: Murder By Death's album "Big Dark Love" & Poster Art Book

Average Per Day: $8.980
Successful Example: Hot Sauce Company

FUNDING SUCCESSFUL

Aged in whiskey barrels for a unique fruity, spicy, and smoky flavor. You’ve never tasted sriracha quite like this before.

Food

Backers: 2165
Average Pledge Per Backer: $48

Funded: $104,146 of $20,000
Dates: Jan 27th – Mar 8th (40 days)
Project By: Sosu Saucers

SHARE 10.9K

Tags: +Suggest

Funding Progress Daily Data [Exp] Projection [Exp] Trend Mini-Chart

Pledges Per Day: Sosu Barrel-Aged Sriracha

Average Per Day: $2,540

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Hot Sauce Rewards

$35 reward
- Select hot sauce
- All general

Hot Sauce Rewards
- Exclusive release: Receive one of the first bottles of Barrel-aged Aged Sriracha. Only 100 bottles will be available in the first release.
- Domestic shipping included.
- Estimated delivery: Apr 30th
- Only ships in United States

$25 reward
- Select hot sauce
- Domestic shipping included.
- Estimated delivery: Apr 30th
- Only ships in United States

$50 reward
- Select hot sauce
- Domestic shipping included.
- Estimated delivery: Apr 30th
- Only ships in United States

$5 reward
- Select hot sauce
- United States

$100 reward
- Only ships in the United States

$100 reward
- Only ships in the United States
Final Tips

TIP:
Try to get backers to back EARLY in the campaign, common strategy is “early bird” discount or delivery time

• Use autoresponder programs to send you mass emails to save time.
• I suggest Kickofflabs for your email collecting landing page. Ubounce is another popular option.
• I learned a lot from Eli Regalado’s Course “$1 Million Crowdfunding Formula” on Udemy.com
• I highly recommend the course to anyone considering crowdfunding.
(I have taken 3 course since my first campaign last year, this one is by far the most useful).
Marketing...

• There are too many different methods to cover... Most important concept I want to drive home is...

PRELAUNCH MARKETING
DO IT... It is your chance to find out what works for you business/project/venture. Hard to recover from a slow start...

And always be A/B Testing... You can never stop improving.
I suggest not spending much money, if any, on Ads before launching your campaign when you can measure the ROI, but you might want to do some small budget test ads before to test your copywriting and landing page and to plan out your budget strategy.
I Hope You Enjoyed My Presentation.

Thank You