

**London
South Bank
University**

A guide to running your crowdfunding campaign



A bit about Crowdfunding

The aim of this short booklet is to explain how crowdfunding works and provide you with a basic structure and some advice to get you started.

We want to help you to maximise your chances of success, so enjoy reading and get in touch if you have further questions or need some more help by contacting studententerprise@lsbu.ac.uk

What is crowdfunding?

Crowdfunding uses digital platforms like Kickstarter, Indigogo, StartSomeGood, Peerbackers and RocketHub that allow individuals and groups to ask for donations towards projects and activities. It can widely be defined as raising money directly from a large number of people who are putting in relatively small amounts of money.

Crowdfunding is all about your interaction with people and how you plan, build interest and create a buzz about your funding campaign.

It's about you, your idea and the power of the crowd. We're here to support you!

94 crowdfunding platforms in the UK (and growing)*

89% of student projects got funding on Kickstarter in 2014/15**

I want to create a campaign what do I do now?

- Read this booklet, come and speak to us, and attend one of our workshops
- When you are ready, create your campaign on the right platform for you
- Launch your campaign on a crowdfunding platform and get it featured on LSBU's website
- Work hard to promote you campaign
- Get your project funded!

*NESTA (excludes University sites) <http://crowdingin.com/platforms/all/all>

** www.kickstarter.com



Prepare

Choosing a platform

Platforms vary on the type of financing offered and the sector they target (eg Kickstarter focuses on the creative industries). It's worth taking a bit of time to research what platform is going to be right for you and your campaign. Compare commission rates as these vary too.

Donation Crowdfunding – supporters offer financial support without any expectation of any kind of return.

Rewards Crowdfunding – supporters receive a non-financial reward or recognition for their contributions - often small with little relative value. Compensation typically constitutes a product, service or public recognition in exchange for financial contributions.

Socialise!

Get out there and tell people about what you are doing. You will need to promote your campaign with friends, family, wider networks and of course people at LSBU. Remember we want you to succeed, so let us help you to spread the word. Getting an early rush of interest and activity is important – Kickstarter finds that campaigns that reach 30% of their target have a 90% chance of success*. Interest builds interest.

Using social media to generate interest in your campaign is essential to its success. For every 10-fold increase in Facebook friends, your campaign's chances of success double**. So, if you have 500 Facebook friends, your campaign is twice as likely to succeed as a campaign creator with 50 friends.

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Ok, you have got your friends, family and colleagues on board, you have also started to use social media to reach more people. You now have to find new people to support your campaign. Consider blogging, reaching out to relevant groups and organisations and link your campaign to the social media platforms you use. Think outside the box – the more people you can reach, the more likely you'll reach your funding target. Crowdfunding takes time, things won't happen on their own.

*<http://www.kickstarter.com/blog/happy-birthday-kickstarter>

** <http://www.appsblogger.com/behind-kickstarter-crowdfunding-stats/>



Create

Once you have decided on the platform you are going to use for your campaign, they will have lots of useful advice and experience to help you create it. Here are a few tips too:

Clarity – clearly conveying what your project is (compelling stories will stand out), your objectives, what you will deliver, how much funding is needed and the timelines are all really important. All of these need to be realistic.

Create a buzz – blog, use social media and issue email blasts to generate interest, gain input into the development of your idea and engage a network of funders. This is important during the pre-launch stage as well as throughout the funding campaign.

Set your target and break it down – your target should be the minimum amount of money that needs to be raised to deliver your project. Having a simple breakdown of what you will spend the money on shows people that you will spend their money wisely.

Get your core supporters to donate early on to build momentum. Once you reach 50% of your funding goal, you are 10 times more likely to reach 100%. Consider offering perks and rewards to funders to increase the size of pledges.

Images and video

First impressions count. Choose a strong project image as it's the first thing people will see. It needs to represent you and what you're trying to achieve.

Make a short, authentic video. This is the best way to introduce yourself and to bring your project to life. It doesn't have to be expensive or super shiny; it just has to be real.

The thought of stepping in front of the camera may fill you with dread, so take a look at other ways to film your project: <https://www.youtube.com/watch?v=-iQCoFqpq7o>

Reward your backers

Backing a project makes people feel good. Getting a small reward for doing so makes them feel even better. Think about what you can offer and what you would want if you were backing your project.

Kickstarter has come up with some reward ideas: <https://www.kickstarter.com/blog/need-some-reward-ideas-here-are-96-of-them>



Promote

Your early donations will come from family and friends. This is important as it will help attract other supporters. You can then follow up with them through email, twitter or by sending a message on Facebook. Why? To give your campaign that personal touch. This may help your backers to share your campaign with their networks and then you'll be rolling!

Announce your project, once it's live on your chosen platform to tell people!

How can I use online promotion?

Social media platforms used the right way can be a powerful part of your campaign.

Facebook is a great way to get your campaign out there, immediate access to your friends and their networks.

Twitter is another big hitter, use it to connect to people who maybe interested in your campaign

LinkedIn, which has over 65 million business professionals globally, is a great business to business networking tool to build credibility and expand your reach.

Youtube is the world's biggest video sharing site. Use it to showcase your campaign.

Instagram – Communication through images can be powerful. If your campaign has a strong visual element e.g fashion, jewellery, photography, etc., then this will help you.

Offline

Posters – Old school posters to be stuck up around university, restaurants and your local community can help you reach out to new people. Make sure to find the perfect place where your target market is and make sure you have permission to put up posters.

Press – Can you get your campaign any press coverage? If you go down this route, think about what publications align with your campaign, who you are going to approach and when.

Don't spam, don't trust everyone you come in contact with, don't expect magic- put in the work and your efforts will pay off.

My campaign has finished. What now?

Successful or not you need to say thank you to the people who've supported you and donated. You can send an email through the crowdfunding platform you've used.

If you have included rewards in your campaign it's important to communicate when they can expect to receive their reward. If for some reason you will be late in delivering rewards most people won't mind, just make sure you keep them updated.

Finally, good luck and remember get in touch if we can be of more help.