CROWDFUNDING GUIDE

FOR NONPROFITS, CHARITIES AND SOCIAL IMPACT PROJECTS

HiveWire™

CENTRE FOR SOCIAL INNOVATION

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Introduction

Crowdfunding is the pooling of small amounts of capital from a large number of people, using the Internet and social media, to fund a project or business venture.   As crowdfunding continues to grow rapidly in Canada, it is clear that the charitable and nonprofit sectors are increasingly turning to this important tool.

WE'VE ORGANIZED THIS GUIDE WITH A STEPWISE PROGRESSION, SO PLEASE FEEL FREE TO FOLLOW THE NUMBERED SECTIONS IN SEQUENTIAL ORDER AS YOU MOVE THROUGH YOUR CROWDFUNDING EFFORT.

Lastly we've invited the participation of all Canadian charitable and nonprofit stakeholders in the creation of this guide, and we appreciate the support of the many organizations that have made this work possible. Thank you for taking the time to read this publication and best of luck with your future crowdfunding endeavors.

March 2015

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STEP 1:
Learn The Basics About Crowdfunding

CROWDFUNDING 101 - CROWDFUNDING BASICS

Crowdfunding is fundamentally about creating and exchanging value. We encourage you to think critically about what value you are creating, why people are interested in the work you are doing, and how you can build opportunities for the crowd to participate in your efforts.

At its most basic level, crowdfunding is the aggregation of small amounts of money from a large group of people via the internet in order to fund something (e.g. a business, a project, etc.).

HOW DOES IT WORK?

Crowdfunding typically involves three key players: the campaigner, who is looking to raise money for a project or venture; the crowd of people who support the work; and a platform that hosts the campaign and brings together the fundraiser and the crowd. The fundraiser will start a crowdfunding campaign by creating a project page on a platform, and then ask the public to contribute funds to their effort.

The rise of social media sites such as Facebook and Twitter has made it much easier for fundraisers to find people willing to contribute to their campaigns. The growth of crowdfunding, and the associated success of many crowdfunding campaigns, is now heavily attributed to social media and networks.

While there are many types of fundraising listed below that we'll be referring to under the name crowdfunding, we'll be excluding debt/lending and equity based crowdfunding - as they are out of the scope of this publication.

1 **Donation**
Most often used for philanthropic or sponsorship purposes, this approach allows the crowd to support a particular cause or effort without expectation of financial return. This kind of crowdfunding is often driven by personal desires or moral obligations, and is currently the most common form of crowdfunding. Example: Donate to the United Way page.

2 **Peer 2 Peer Fundraising**
Allowing supporters to raise funds for your campaign by publicly advocating and sharing on your behalf. This can be an excellent tool to leverage the network of your most ardent supporters. An example is the Heart & Stroke Foundation's "Canvass Online" page, where volunteers receive their own personal fundraising webpage and collect funds by contacting friends and family in their network. Example: Alzheimer Society of Canada Walk for Memories, Sponsor a Walker.

3 **Social Fundraising**
The building of independent crowdfunding campaigns by supporters that then directly benefit charities and nonprofits. Example: Erik ran over 140 Kms in support of the Princess Margaret Hospital Foundation.

4 **Rewards**
The rewards model incorporates non- financial rewards to further incentivise supporters to contribute funds. These rewards typically vary according to the amount donated, and are often suited to creative projects (e.g. film production or album recording). Example: Fund What You Can campaign to stage a community musical performance.
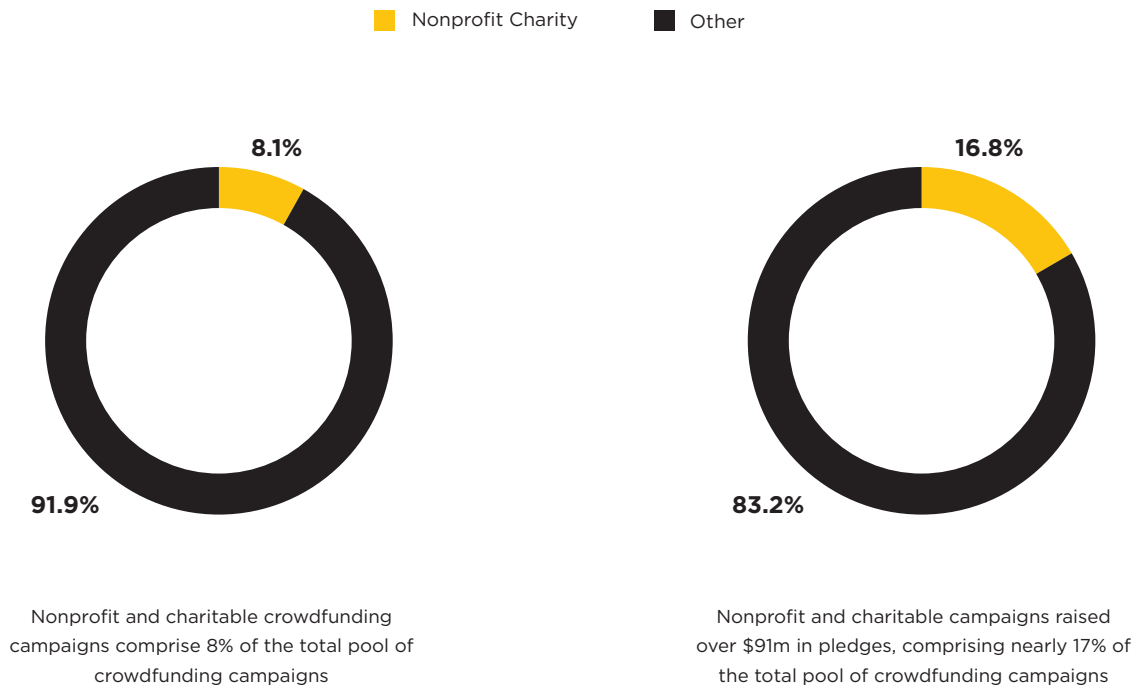
5 **Debt / Lending and Equity Crowdfunding**
Debt / Lending and Equity Crowdfunding - As these types of crowdfunding, like the Centre for Social Innovation's Community Bond (communitybond.ca), depend on securities regulations, and involve the purchasing of ownership or the placing of debt, they are out of the scope of this guide.

[1]Indiegogo (campaigns from 2008 - 2015)

CROWDFUNDING ENGAGEMENT: NONPROFITS & CHARITIES

Crowdfunding is a global phenomenon with exponential growth, and with participation across all sectors. In particular, we wanted to gain insight into how nonprofits and charities are engaging in this area. We looked at 26,586 nonprofit and charity crowdfunding campaigns, from one of the largest crowdfunding platforms[1]. Out of the 26k nonprofit and charity campaigns, Canadian nonprofit and charity campaigns comprise approximately 6.5%, with a total of 1,722 campaigns.

■ Nonprofit Charity   ■ Other

8.1%

91.9%

Nonprofit and charitable crowdfunding campaigns comprise 8% of the total pool of crowdfunding campaigns

16.8%

83.2%

Nonprofit and charitable campaigns raised over $91m in pledges, comprising nearly 17% of the total pool of crowdfunding campaigns

The adoption of crowdfunding by nonprofits and charities has increased substantially over last 6 years. From 2013, nonprofits & charities actually make up ~10% of the total.

Year	Value
2009	69
2010	163
2011	500

Year	Value
2012	1,540
2013	9,803
2014	12,663
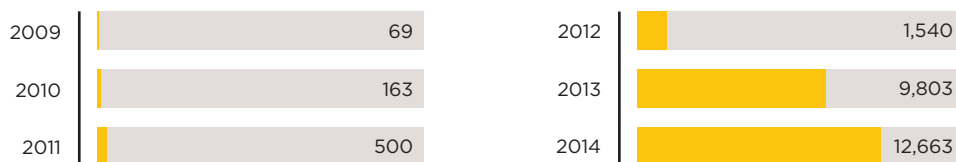
[1]Indiegogo (campaigns from 2008 - 2015)

Although nonprofits & charities are engaging in a wide array of categories, we can clearly see two dominant categories: Community & Education. At the other end, and as expected, categories like Technology, Gaming, Fashion, have very low participation rates.

Nonprofit/Charity Campaigns - Category Breakdown

Animals **5.4%**
Music **4.3%**
Environment **3.8%**
Art **3.1%**
Film **6.9%**
Sports **2.9%**
Theater **7.5%**
Religion **2.2%**
Dance **2.1%**
Health **8%**
Other **8.3%**
Education **16.5%**
Community **29%**

Technology	**1.4%**
Politics	**1.2%**
Small Business	**1.1%**
Food	**1.0%**
Video/Web	**0.9%**
Writing	**0.8%**
Transmedia	**0.5%**
Gaming	**0.4%**
Photography	**0.4%**
Fashion	**0.2%**
Design	**0.2%**
Comic	**0.1%**
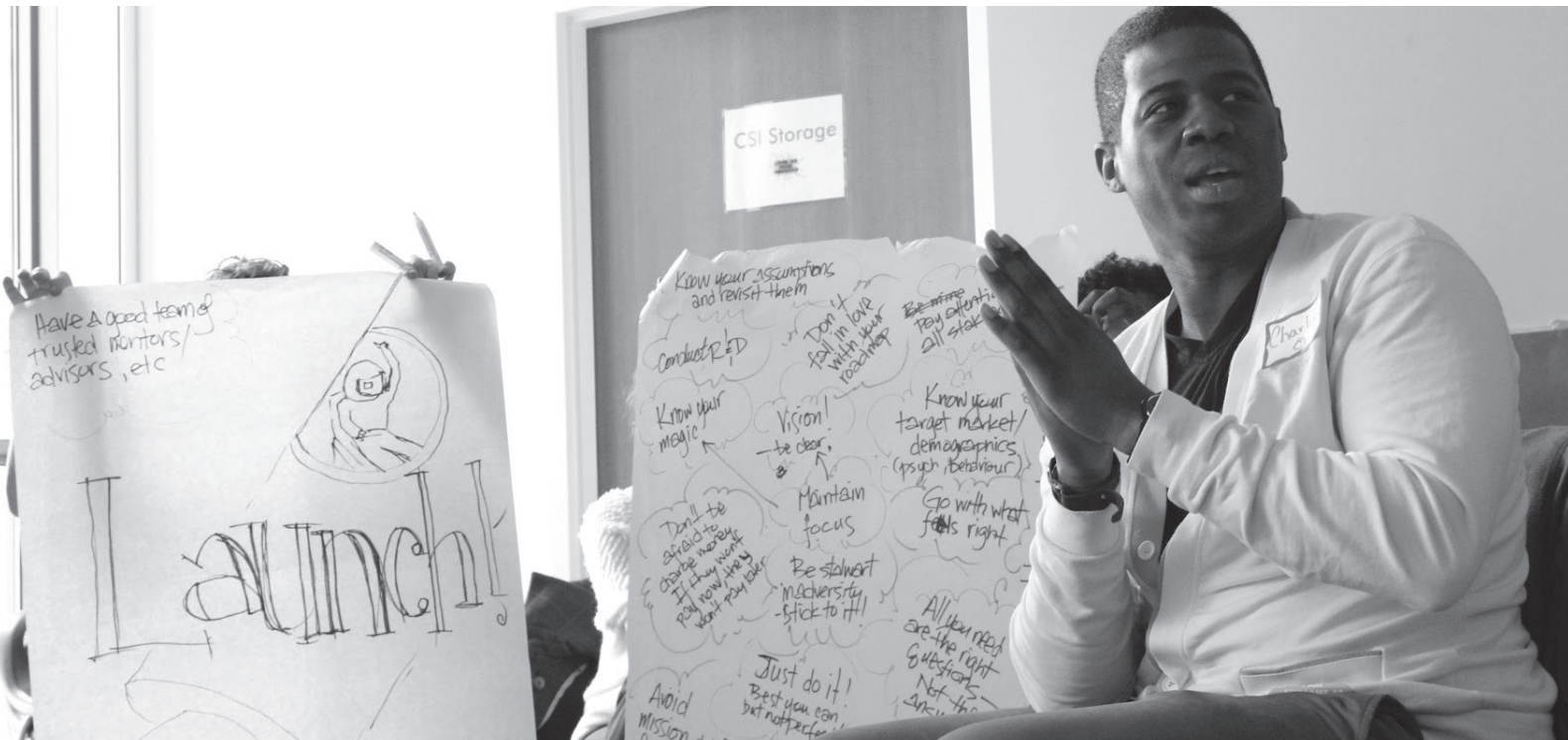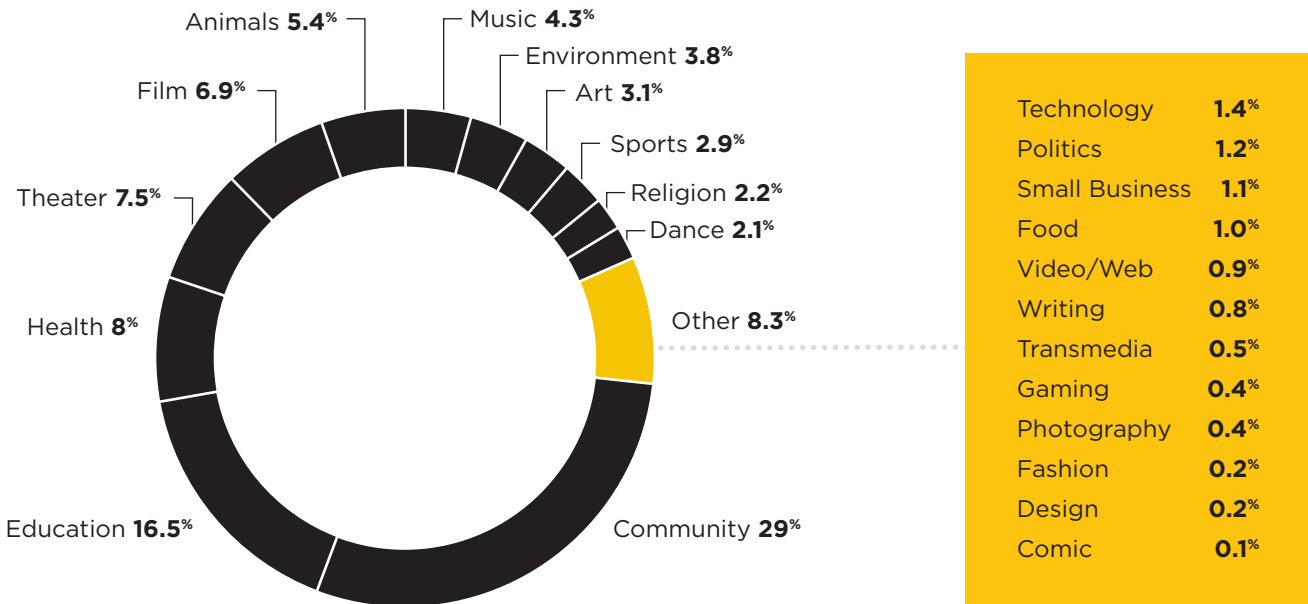
From the 1722 Canadian nonprofit & charity crowdfunding campaigns we looked at, we can see that there is participation across the whole country.

Dollars raised per province/territory

22,905

3,395

37,030

42,190

1.2M

272,811

149,620

72,363

544,594

26,877

1.8M

114,771

151,623

Looking at just the successful campaigns, defined here as those campaigns that reached their funding target, we see that the majority of campaigns (89%) raise less than $20k.

10k - 19,999
16.2%

Other
11.6%

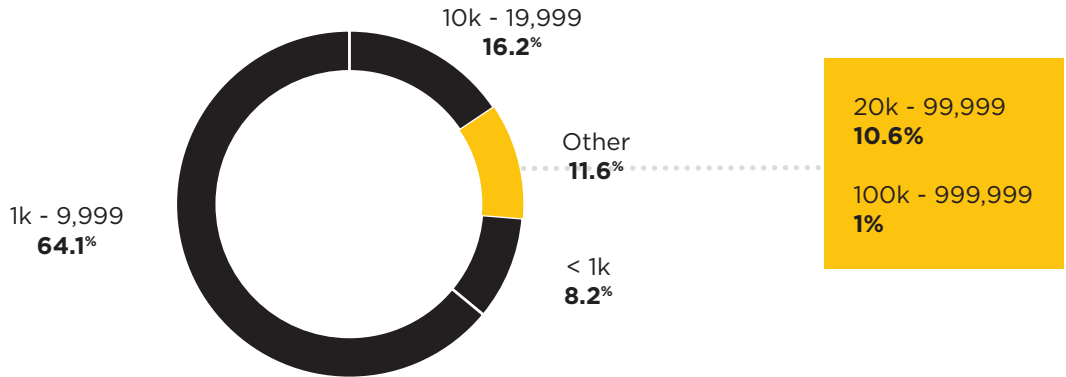20k - 99,999
10.6%

100k - 999,999
1%

1k - 9,999
64.1%

< 1k
8.2%

As the funding target of a nonprofit or charity campaign increases, the lower the success rate, and therefore fewer campaigns are successful in achieving their goals. Raising more money is more challenging, which is why it's important to carefully plan and execute your crowdfunding campaign!

Success Rate of Nonprofit and Charitable campaigns[2]

Goal Range	Success Rate
< 1k	40.2%
1k - 9,999	25.8%
10k - 19,999	16%
20k - 99,999	8.6%
100k - 999,999	3.2%
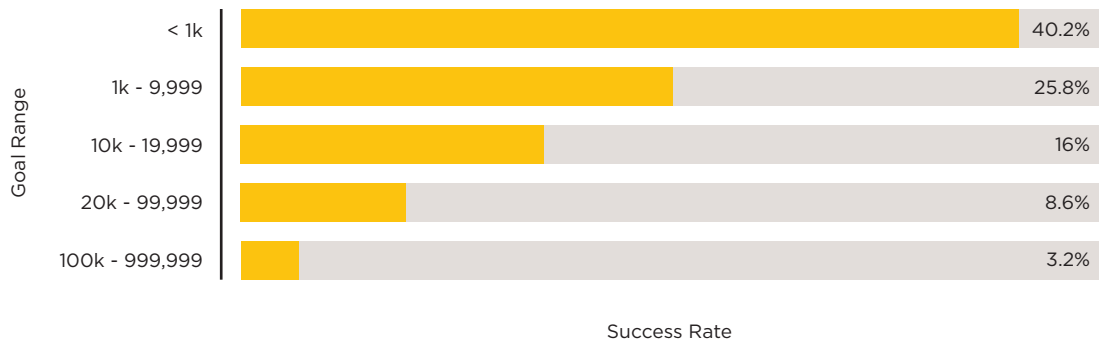
[2]Campaigns that raised 0$ were not included here as it was concluded that they did not represent a serious effort.

WHY CROWDFUNDING?

Crowdfunding brings with it many more benefits than just raising money. With effective planning and strategy your organization can maximize the benefits of running a campaign. The benefits of crowdfunding are listed below:

Raise money
Usually the main goal, but not the only one.

Marketing and cause awareness
The very act of crowdfunding gets the word out about the issues you are engaged with.

Market validation
It can provide validation for new initiatives allowing the crowd to vote with their dollars in support of your efforts. You could also leverage the crowd's support as key evidence when obtaining other types of funds (i.e. grants).

Testing marketing channels and target audience
A great way to see if a specific project resonates with a specific target audience.

Connect with new audiences
The buzz that you create can bring new relationships that you can leverage going forward.

Understand your audience
Get to know more about the people that do (and don't) support you, the level of support from certain target audiences, issues that resonate, what people say about you via social media, etc.

Leveraging crowdfunding can also help leverage a younger demographic (18-34) that lives online, uses social media, and is familiar with making online payments.

CROWDFUNDING VS. TRADITIONAL FUNDRAISING

Although crowdfunding and traditional fundraising share many traits, there are specific and important differences. Most of these differences add value, but some may add additional challenges. Some of the important differences that crowdfunding brings are listed below:

Value exchange

Crowdfunding can incentivize organizations to increase the amount of value that they are creating for their donors. When there is more value created, whether by surprising, delighting, entertaining, or offering goods and services, donors will often contribute additional funds. Answering the donor's question of "what's in it for me?" can help you think beyond the intangible benefits of giving (or just the tax receipt).

Specific

As opposed to asking for support for a general mission, crowdfunding best practice can involve a more specific ask for a specific project. This gives the project a measurable outcome that someone can immediately relate to as having supported and increases the 'touchpoints' of the campaign. The 'touchpoints' are those characteristics that increase the spectrum of participation by allowing the campaign to resonate with people in different ways. For example: giving money to UNICEF is different than giving money to rebuild a school for children under 10 in a rural village in Ghana through a campaign being led by a Canadian woman who has her own, compelling story about her childhood growing up in Africa.

Time-bound

Crowdfunding campaigns are of a specific, defined length that allows for marketing, buzz, and momentum to feed onto itself and peak appropriately. An end date incentivizes participation by the crowd and incentivizes the efforts of the campaigner.

It's a sprint

Crowdfunding is not like managing a donate button on your organization's website. It's an intense effort that requires all hands on deck for a specific period of time.

The Campaign lives on

The campaign usually continues to exist online even after it ends, which might be scary to think about if your campaign was unsuccessful. Crowdfunding is open and transparent and this should be seen more as an advantage than a disadvantage as the public welcomes this kind of transparency.

WHY PEOPLE BACK YOUR CAMPAIGN

There are various reasons why people would back your crowdfunding campaign. Some of the reasons are listed below, but the key point is to know your specific target audience and why they might back you.

Shared passion	Solidarity	Tax deduction	Emotional connection
Participation	Kindred Spirits	Entertainment	Enticing Rewards

Key Factors of Success

Quality Idea & Pitch

Enticing Rewards

Key Factors of success

Marketing Campaign

Strength of your network
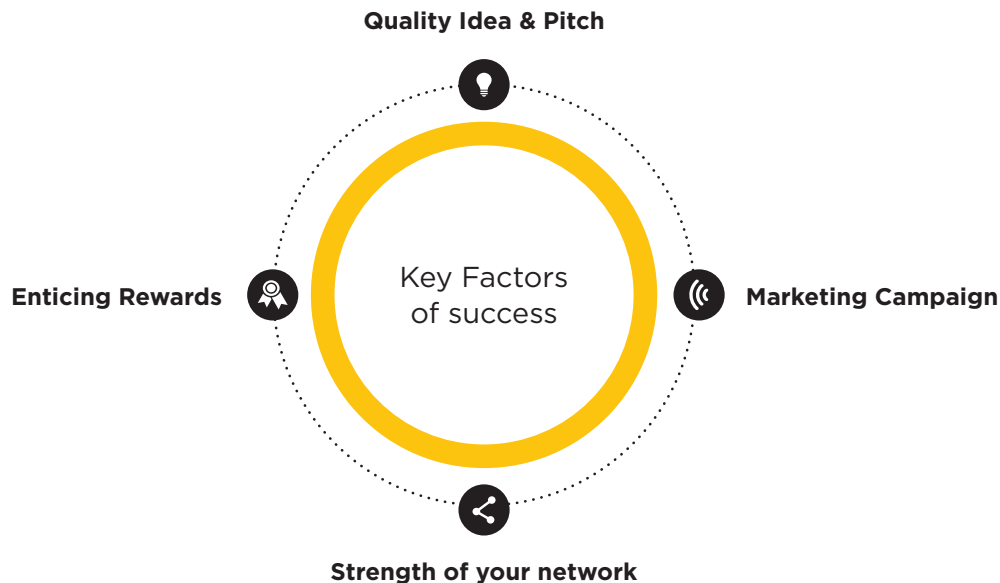
Quality Idea and pitch

A crowdfunding campaign is only as good as the idea seeking funding, which must create or be seen to be creating value in some way. All successful crowdfunding ideas hold some sort of merit.

Your pitch should be clear, compelling, and memorable. If you are unable to communicate the idea to others in a manner that is easy to understand in less than 30 seconds, you may need to rethink your presentation.

Marketing campaign

Without undertaking a concerted series of steps to share, disseminate, and communicate, the crowd will not learn about your campaign. It is important to think carefully about how you will market your campaign.

Strength of your network

Campaigns with a larger network are correlated with greater success. Remember to think holistically about the size of your network via your organization, campaign team members, and partners. Also know that even the most popular crowdfunding platforms will generally bring you less than 10% of your total number of backers, so the size and reach of your own network is key!

Enticing Rewards

Most successful crowdfunding efforts address the 'what's in it for me?' question for those that are contributing funds to a campaign. Rewards may be tangible or intangible, and are an opportunity to create value for your donors.

SHOULD YOUR ORGANIZATION USE CROWDFUNDING?

Crowdfunding is not for everyone, and it is important to carefully evaluate its suitability for your organization. A realistic assessment of internal resources coupled with effective planning will yield the best results.

It is important to move through the following planning steps in sequential order:

1 Identify and review the objectives of your organization. What are you trying to accomplish?

2 What timelines are you bound to? Determine what your available time horizon is to focus on a new project.

3 What sort of capacity does your organization have to support a crowdfunding campaign? Will you be able to bring sufficient human resources to bear?

4 Communicate that you are considering crowdfunding to your internal stake-holders. What sort of feedback did you receive? Is your organization supportive and willing to invest resources in the effort?

Step 2
Building Your Campaign

Anatomy of a Crowdfunding Page

① **A CLEAR AND ATTRACTIVE HEADLINE**
AN EXPLANATORY SECOND HEADLINE
by Your Organization

② [Video Play Button]

128
Backers

$9,256
Raised of $21,000 goal

12
days to go

③

④ Large Descriptive Text Blurb

Comments Tab   Updates Tab

⑤

Back here Button

⑥
About Our Project
Descriptive Text

Our Story
Descriptive Text

Risks and Challenges
Descriptive Text

About Us
Our Contact info
Who we are
Team Image

⑦

Reward 1
Description of reward

Reward 2
Description of reward

⑨

Reward 3
Description of reward

⑧
Infographic

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1 **Campaign Title**
The title of your campaign should immediately communicate what your project is about. Choose a campaign title that is catchy, engaging and concise. Your goal is to create a title that draws people to investigate further. If available, use a secondary headline that elaborates on your title.

2 **Video**
The crowdfunding video is the most important piece of content on your crowdfunding page. Most crowdfunding platforms allow you to select a custom still image for your video, so ensure that it is relevant, attractive, and enticing for the user to click.

3 **Campaign Information**
Create a campaign target that communicates to the potential contributor that your raise is reasonable. Be sure to consider what amount of funds you need, what your costs are likely to be, and how much you can likely raise. Also ensure that you 'move the needle' as quickly as possible by having your core backers donate early on, as this creates momentum that will influence others to contribute.

4 **Descriptive Text**
When scanning the web page, people's gaze will land on large prominent text before reading the small print. Include a more full explanation than your title and secondary headline, but keep it concise.

5 **Comments Tab and Updates Tab**
Many crowdfunding platforms have tabbed campaign pages where backers can leave comments on the campaign, as well as an updates section that allows the project to leave specific updates on the progress of the project. It is important to monitor and respond to comments promptly, as well as provide updates to ensure transparency and build on early interest in your campaign.

6 **Main Content Area**
While campaign contributors often report skipping reading the main copy of a campaign, you should nonetheless include the details here. This can help convince contributors that your campaign is worthwhile by addressing questions and concerns. This main project description contains the bulk of information about you and your project, and is often used to complement an accompanying video.

There are several key things that need to be highlighted in this section - what are you doing, what your business model is, and why are people coming to you (in other words, what is your competitive advantage)? You can also write in detail about your history, your plans, the people involved, and the rewards that contributors to your campaign will receive. It is important to be as clear and transparent as possible. It also helps to include quantitative data such as how many people your project will feed, or how many children you will help, etc. This quantitative information will help to back up the stories and the qualitative information. Other items you should include are how specifically the money will be spent and any 'stretch' goals (if you exceed your campaign target) that you hope to reach.

7 **About us**
Be sure to include relevant summary information about your team, organization, and contact information. If you have a homepage or project landing page, be sure to include that here.

8 **Images and Infographics**
Enhance the appearance of your page and avoid having a 'wall of text' by including images and infographics. These graphics can communicate essential information about your rewards, goals, and campaign in an attractive manner.

9 **Rewards**
Select reward levels that match with the traditional donor amounts mentioned elsewhere in the rewards section below. Ensure that your rewards are attractive to your target audience by testing them out before your campaign begins, and don't be afraid to add or delete rewards in response to how your campaign is progressing!

VIDEO

Almost all crowdfunding campaigns include a video in which you engage people more personally about your story and project. Tell people who you are, what your project is about, what problem you are trying to solve, and what you hope to achieve with their money. Above all, make sure to tell a good story.

CREATING A GREAT CROWDFUNDING VIDEO

Brainstorming
Putting together a great video takes time and effort, and a willingness to develop your concept through testing and iteration. Ultimately you want to create a clear video that quickly engages with the audience, and is understandable enough that they know what you are doing (and why) within the first minute. Brainstorm several different approaches, and get feedback from others, long before beginning to physically create your video.

Storytelling
Remember that no matter what your crowdfunding campaign is about, you are ultimately telling a story to engage your audience and get them to give. Be sure to build an engaging narrative that introduces your concept and paints the picture of what your final outcome will be. Be real, relatable, brief and be authentic.

Things to Include
Rewards -
Weave your rewards into the narrative of your video and explain how they are related to your campaign.

The Audience -
Focus on the participation of your viewers by explaining how their contribution will make an impact and why you need their help.

Call to Action -
Don't forget to make 'the ask' at the end of the video, inviting your viewers to contribute, share, and become a part of your campaign.

Practical Steps
Sound Design -
Think of what sort of soundtrack you'll include, as music is a powerful medium for conveying emotion and building interest.

Tools and Equipment -
Whether you're using a professional camera or your pocket camera phone, the goal is get the most out of the equipment and tools that are available to you. For editing there are many tools available (see our list of helpful tools on page 43 of this document). **Don't** try to get too fancy, use gimmicky features, or include excessive graphics that don't add to your video. **Do** use steady (tripod based) shots that are well composed, well lit, and capture clear audio. Your goal is a professional video that does not appear over produced.

Locations -
Choose locations to shoot your video that you'll be able to spend some time in, have natural light, and are relevant to your story (if possible).

Did you know?
Campaigns that include a video raise 114% more money compared with those without a video[3]!

Did you know?
The average length of a successful crowdfunding campaign video is 3:04

[3]https://go.indiegogo.com/blog/2011/12/indiegogo-insight-pitch-videos-power-contributions.html

VIDEO STRATEGIES

Keeping your video to a concise 2 to 4 minute length will increase your chances of holding the audience's attention. Although a good quality video will add to your campaign, contributors often prize authenticity and creativity above high production values. With that being said, excellent sound quality is an extremely important part of a successful video.

Video Essentials

• Incorporate all the most important content (such as who, what, when, where, why and how) into your video while assuming that people will not read the campaign description before watching.

• Make sure to tell a compelling story that creates an emotional connection with your target audience.

• Be present! Include the real people that are behind your project or campaign in the video (as people have a tendency to fund people they connect with).

• Testimonials are powerful - having your stake holders and/or customers to speak for you demonstrates credibility.

• Ask the viewers directly for their support.

• Make sure to say thank you!

CAMPAIGN TYPES:
THERE ARE TWO BASIC CAMPAIGN TYPES.

KEEP WHAT YOU RAISE

You keep the funds raised regardless of reaching your target. Also called "Flexible Funding".

Advantages
Every little bit counts and can make an impact. Safety net in case you can't reach your goal. The traditional way nonprofits and charities fundraise.

Disadvantages
Lower success rates. Easy to choose unreasonable targets. If you don't reach your target you may be charged an extra fee from the platform.

ALL OR NOTHING

You only get the funds if you reach your target by your end date. Also called "Fixed Funding".

Advantages
Demonstrates confidence. Suitable for projects that require a minimum threshold of funds. Less risk for backer. Higher success rates. More pressure for campaigner to work hard. Target chosen is usually more reasonable. Added incentive for backer to back you.

Disadvantages
You don't get any money for all the effort you put in, if you don't reach your target.

Did you know?
98.8% of nonprofits and charities choose the Keep What You Raise campaign type. This is slightly higher than campaigns that are not by a nonprofit or charity (95.3%). Although being a very small minority, *All or Nothing campaigns usually have a two times increase in success rates.*

Rewards

Offering something in return for a financial backing is a good strategy for most crowdfunding campaigns and is often a key factor of success. Crowdfunding can be seen as an exchange in value between the campaigner and the crowd (the backers). The value received by the backer can be tangible like a book, or can even be intangible as supporting a worthy entrepreneur or the campaign can simply make the backer feel good about participating in the journey. We will explore this spectrum of value, review reward best practices and strategies, and investigate how nonprofits and charities are engaging in this area by diversifying the value they give back.

From the 26k nonprofit and charity campaigns we examined, the majority (84%) chose to offer rewards. Compared to campaigns that did not offer rewards, campaigns that include rewards had a 22% increase in success rate (success defined as reaching their target), had a 3.3 times increase in the average amount raised, and a 2.8 times increase in the average number of backers. Having rewards may increase the scope of reasons why people would back a campaign.

Campaigns that include rewards

22%
Increase in
Success Rate

3.3x
Increase of Average
Amount Raised

2.8x
Increase in Average
Number of Backers

Although 90% of all people give less than or equal to $100 when backing campaigns, do not be afraid to set reward levels in the hundreds or thousands, since the chances of someone backing at a very high amount increases if they are offered a high reward level. Our research has also uncovered the most popular reward levels chosen for nonprofit and charity campaigns. The top four levels are: $25, $50, $100, and $10, but remember that the value obtained for each backer is more than just the monetary level of the reward. For example, someone giving just $1 can bring additional value. The backer may share that they backed on social media or they could help champion the campaign in other ways. The number of backers counter goes up by one which gradually can increase the credibility in the eyes of future potential backers. In addition, you have a name and email of someone with which you can further build a relationship that might help you further your cause.

TYPES OF REWARDS

These types of rewards are general categories and their purpose is to stimulate your own creativity. Your goal is to make your rewards relevant to your campaign and entice your target audience to support your campaign.

Things
An object that backer receives, or can pick, and can look forward to getting it. An item that can increase your brand awareness.

Examples: Discounted product, DVD, photograph, prototype, t-shirt, bag, digital downloads, tax receipt, etc.

Experiences
Something unique that someone normally wouldn't experience.

Examples: Dinner/lunch with the CEO, apprentice for day, be a builder for a day, character named after you, be an extra in movie, meet a VIP, etc.

VIP

Access
Give access to allow the backer to participate in the journey.

Examples: Memberships, tickets to event (e.g. launch party), Backstage pass, VIP access to conference, advance screenings, see something before going public, access to information, etc.

Recognition
Let people be recognized in public places.

Examples: social media shoutout, email thank you, name in the credits, logo somewhere, etc.

Services
Leverages your teams or others expertise.

Examples: Workshop, training, dance lesson, bike tune-up, one-on-one tutorial, advisory phone call, etc.

Ways to Increase value
• Take a normal reward and spice it up Exclusivity (autographed item, behind the scene video)

• Personalized (hand written postcard).

• Custom (artwork made with backer in mind).

• Participation (include backer ideas in project, things that acknowledge participation).

• Unique (early prototype).

• Matching Funds (multiply the impact of every $1).

To investigate common reward trends, the top 200 most common nouns were extracted from the reward descriptions of nonprofit and charity campaigns, and only from those rewards that were selected by at least one backer, and only from campaigns that were successful (reached their target). It is important to note that this word cloud represents common words and increased size of the word denotes increased frequency. It should not be interpreted as being the best type of rewards for your particular campaign, since rewards should be strategic, based on your specific campaign. Nevertheless, the word cloud provides an opportunity to stimulate the scope of your creativity and explore what others have done.

Top 200 common reward words
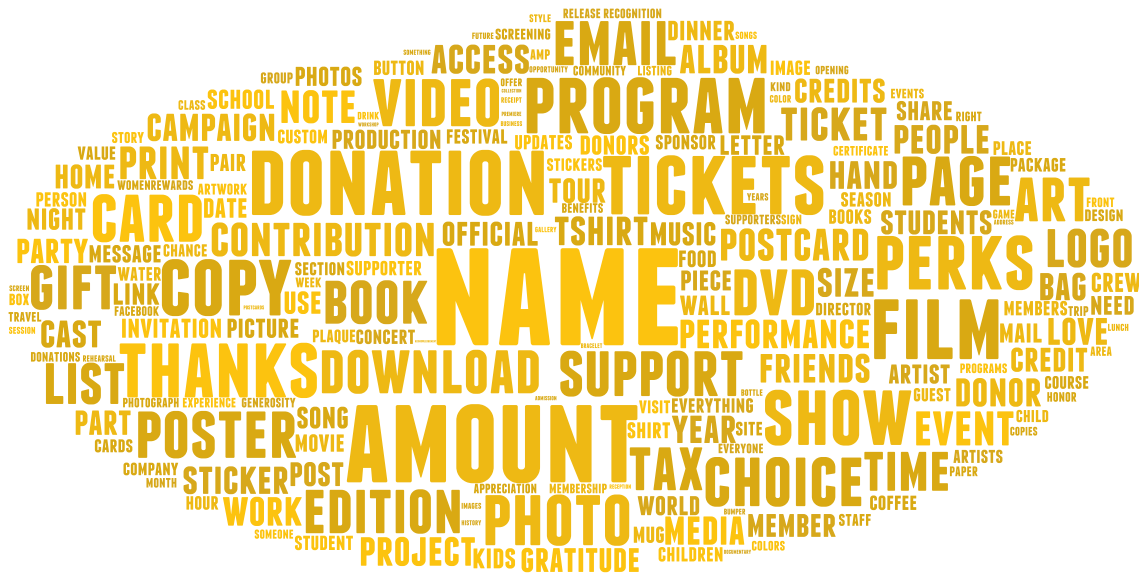
Number of Reward Levels

The decision of how many reward levels to offer is generally based on the specifics of your particular campaign, what value you can give back, and what reward strategies are being used. The median number of reward levels for all the successful nonprofit and charity campaigns is six[7]. Looking a bit deeper we uncovered a correlation where the number of reward levels increases as the amount that is raised by successful nonprofit and charity campaign increases. The key takeaway here is to consider offering more rewards for higher target amounts.
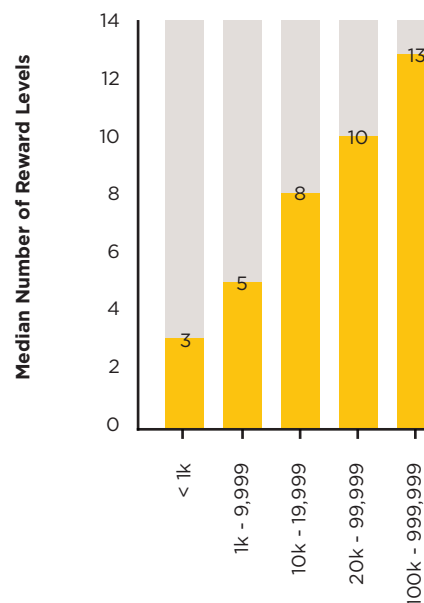
[7]The median is the midpoint in the data, where there is an equal number of campaigns above this value and and an equal number of campaigns below this value.

REWARD STRATEGIES

Here are a few strategies to keep in mind, when creating rewards.

Creativity
Use creativity to add value, it is your strongest ally. Even an amusing reward title can go a long way.

Scarcity
Limit the number of rewards available for a particular reward.

In-kind
Leverage goodwill of your organization by obtaining in-kind products, services, experiences to offer as rewards (good PR for donating company).

Dynamic
Change things that don't work and iterate. Add rewards during the campaign which is great announceable and reason to communicate.

Backer Insight
Ask your backers why they did or did not chose a particular reward and iterate.

Budget
Each reward may cost you money and time so be sure to make a spreadsheet to plan well and not be surprised at the end. In particular, be vigilant with shipping costs and either include them in the 'price' of the reward or if the platform permits, have it added in the backing process based on where the backer is. Alternatively, you can also state additional shipping costs for international shipments in the reward description.

Bundles
Group various rewards together in one reward level to further incentivize the backer.

Pictures
Add pictures of good rewards in the campaign description to further entice a backer.

Value to Backer
Increases in value can increase the reward 'price'. Remember that the point of rewards is to incentivize someone to give, so putting $100 for a t-shirt is not necessarily further incentivizing someone, however it may incentivize someone that only has around $30 to give if the reward level was close to that. The closer the reward level is to the value of what you are giving back, the more chances of people backing.

Altruism
Acknowledge that a portion of money raised will be from people that don't choose any reward. These people don't want a $100 t-shirt, they just want to give altruistically. The median of percent of money that is altruistic is around 50% for nonprofits and charities, and is fairly constant across the range of amounts raised[8]. This analysis shows us that the amounts nonprofits and charities raise can be the result of both altruistic behaviour and behaviour that is incentivized by rewards.
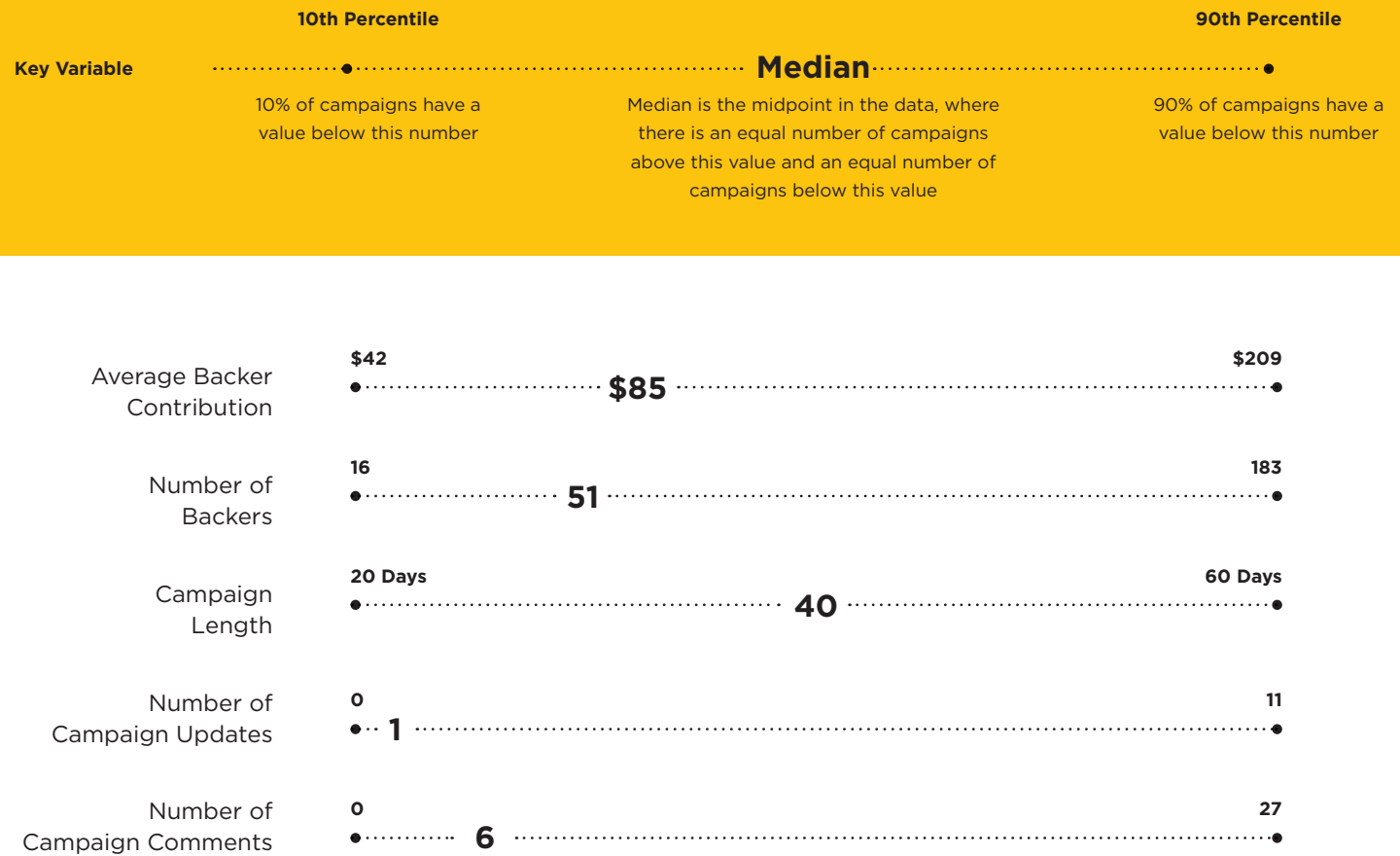
Value from Backer
It's more than the net money you get. You also get: +1 on backer counter, potential social media shares, relationship gained, etc.).

[8]This is in stark contrast to the decreasing altruistic percentages with increases in raise amounts for campaigns that are not nonprofits or charities

METRICS OF SUCCESS

The following are key metrics for successful nonprofit and charitable crowdfunding campaigns.

	10th Percentile	**Median**	**90th Percentile**
Key Variable	10% of campaigns have a value below this number	Median is the midpoint in the data, where there is an equal number of campaigns above this value and an equal number of campaigns below this value	90% of campaigns have a value below this number

Metric	10th Percentile	Median	90th Percentile
Average Backer Contribution	$42	$85	$209
Number of Backers	16	51	183
Campaign Length	20 Days	40	60 Days
Number of Campaign Updates	0	1	11
Number of Campaign Comments	0	6	27

Step 3:
Marketing Your Campaign

MARKETING

While having a campaign page is the first step on your road to success, your campaign needs a clear voice communicated by you and your team. Marketing is one of the key success factors for a crowdfunding campaign, and is often the most underestimated aspect. Marketing your campaign successfully takes hard work from day 1 to the last day and you need to promote your campaign daily in order to be successful. Not only do you have to spend a significant amount of time to prepare your campaign content but you need to spend significant time in preparing and planning how you will promote your campaign before you go live. In fact, you can even promote to your networks before you go live so that they're ready and aware of your plans when you launch.

PLANNING YOUR MARKETING CAMPAIGN

Why Plan?
Planning ahead of time ensures that the time period during which your campaign is live runs smoothly, and allows you to use your campaigning time as efficiently as possible. Most importantly it allows you increase your chances of achieving success.

Get Organized
Get organized by building spreadsheets that you can use to keep track of campaign finances, key relationships, media contacts, etc. Also include a calendar and/or gantt chart so that you stay on track with all of the outreach efforts that will need to be done. This spreadsheet will be your central repository of campaign execution information, and should be continually updated.

IF PEOPLE LIKE WHAT YOU'RE DOING ASK THEM TO SHARE IT WITH THEIR FOLLOWERS AND NETWORKS. BE POLITE, OPEN, AND TRANSPARENT AT ALL TIMES, AND DON'T SPAM PEOPLE. IF THEY TELL YOU THEY'RE NOT INTERESTED, LEAVE THEM ALONE AND TRY OTHER AVENUES.

PREPARING YOUR NETWORKS

Gather
Your network can be your project's best source of cost-free promotion. Take active steps to further build your network, well before your actual campaign begins. Bring together all of the information about your network into a single central spreadsheet based list (e.g. all email addresses, phone numbers, social media contacts). By identifying existing organizations, networking groups, or online organizations, you can rapidly build expand this central repository of networking information that will be a resource during your campaign.

Assess
Once you have aggregated this information then you should take some time to realistically assess the strength of it. Categorize the contacts in your network based on what role you think they could play in your campaign. Identify potential key individuals by generating a list of at least 10 influencers, journalists, bloggers, and organizations that would support your campaign. Assign each contact a score based on this role and sort your list to surface the strongest contacts that might be able to best help your campaign.

Build
Grow your network before you start your campaign. Build your social media presence, mailing lists, and personal connections. Let friends and family know that your campaign is about to go live, and ask them to support you early on (ideally within the first two or three days). This will give you some credibility when you begin to market to your wider network, as people have more confidence in a campaign if they see others have already backed it. The crowd vets the crowd and a successful start to a campaign can build important momentum.

Engage
Maintaining good relationships with the people in your network is crucial. Begin to reach out to those members of your network that will offer you the most support right away. Communicate with them by sharing your activities and efforts, as well as asking them for advice. Talk about any new developments, growing support, and media coverage you have generated while including new videos or pictures. People are far more likely to support a campaign that is dynamic and has momentum than one that seems stale and stuck.

Communications Plan
A key part of a communication plan is a strong narrative woven throughout the list of activities. Answer the who, what, where, when, why, how, as well as build a story. Understand how you would market the story differently to each cluster of supporters in order to make your ask appealing. Decide on what you want to say for different types of asks:

Ask	Definition	Commitment
Please Visit/Check Out	Asking someone to get informed	Low
Please Share	Asking someone to give their network access to the campaign.	Low - Medium
Please Donate	Asking someone to back the campaign (with a financial contribution).	High
Please Champion	Asking someone to commit and be a leader in the campaign.	High
Please Volunteer	Asking someone to contribute their time as part of the campaign.	Medium - High

If people like what you're doing ask them to share it with their followers and networks. Be polite, open, and transparent at all times, and don't spam people. If they tell you they're not interested, leave them alone and try other avenues.

Mobilize your closest allies such as friends, family and supports, and ask them to promote your campaign. Giving them clear and well-defined tasks (such as talking to a specific person or group) is more effective than simply requesting them to reach out to their networks.

Reaching Out to Media

Journalists, bloggers, and TV producers can make a huge difference in publicizing your campaign. Most interested media contacts want to meet directly with the founders of a campaign, so be ready to field these requests by having someone available. Make your story relevant by associating it with current news topics, and use easily understood terms to describe your project. Try not to include mentions of other media sources that are covering your project. Look for the contact information of media via social media such as LinkedIn or Twitter, and follow-up with them after your initial contact message. Your goal is to find media contacts that have a sizable audience that is relevant to your campaign.

Real World Events

Hosting or attending events is an easy way to gain exposure, thereby creating an opportunity for you to connect with others about your crowdfunding campaign. The goal for your own event is to create an opportunity to build your base of supporters, gain contributions, and create a 'shareable moment' for social media exposure. Be sure to feature images and video of your campaign, include social media sharing links, and include a surprise that will delight your audience. If possible have a photographer and videographer capture the event, with the goal of sharing these digital assets afterword to get people interested in your campaign.

CONDUCTING YOUR CAMPAIGN

Work in Advance
Ideally you will prepare the majority of the materials that you'll need to conduct your marketing campaign well in advance. These materials should include the development of your media kit, pre-written emails and social media messages (e.g. tweets), and a targeted list of media resources that you will reach out to. Your goal is to reduce your workload during your campaign in order to allow you to execute with maximum efficiency.

Using Tools
On page 43 we list a series of tools that can help you to conduct your crowdfunding campaign. Most of the tools revolve around identifying and securing outside help, improving your efficiency, and getting access to additional information that can improve your awareness of your campaigns situation (i.e. metrics). The most important takeaway with regard to tools is that you are aware that they are there and that they can lighten your load. We encourage you to spend some time investigating and identifying tools that are right for you.

Coordinate Your Messaging
Aim to coordinate the timing of your press release, campaign launch, social media messaging, event(s), PR efforts, and any media (e.g. interviews, articles, blog posts) to be released in close proximity to one another. This is a particularly powerful technique to attract attention early on in your campaign, and ideally will lead to the impression that you campaign is being talked about everywhere. The goal is to build buzz and attract attention.

OPTIMIZING YOUR MARKETING

Market Segmentation

Recognize that the audience that you are trying to connect with exists out in the real world and online. Take some time to research carefully who they are, where they interact, and what their tastes and preferences are. This process is known as market segmentation, and you can read more about it on Wikipedia: http://en.wikipedia.org/wiki/Market_segmentation

Social Media

Due to the trust involved in personalized endorsements, social media can be more powerful than most other types of promotional efforts! Build a content bank where you can place all materials related to your messaging and communications. Use your spreadsheet to house each message's title, tagline, and text. Identify in advance where key marketing messages will be directed, and to whom. Measure social media impact and engagement using the tools listed on page 44 of this guide.

Customer Service

Ensure that a team member is assigned to handle email and campaign inquiries, as prompt follow-up is key.

Testing

Testing is a valuable practice as it allows you to see what works and what must be improved. We encourage you to try out your ideas with potential donors in advance of your campaign going live, gather feedback, and iterate your ideas. For example testing your video and rewards can allow you to assess if you are creating value for your donors, or if you need to do further work enhance your campaign assets.

Step 4
Executing Your Campaign

CAMPAIGN LOGISTICS: TIME MANAGEMENT AND WORKFLOW

Running a crowdfunding campaign is a significant undertaking, and you will have to manage your campaign at all times.

Here are some key tips to manage your campaign most effectively:

1 Prepare your email and social media messages in advance of your campaign.

2 Build a calendar that maps the duration of the campaign, and input all action items that will be taken.

3 Send your social media messages and emails when most people are likely to view them online. For example sending emails at the beginning of the week is better than sending them before (or during) the weekend.

Daily campaign execution checklist:

○ **Listening**
Check social media channels, google, email accounts, and your campaign page to liste to the online conversation about efforts.

○ **Review**
Examine your campaign strategy, timeline, and upcoming campaign events.

○ **Decide**
Do you need to change or adapt your strategy based on the above steps.

○ **Execute**
Continue to execute your planned campaign steps. Send out additional emails and social media messages.

○ **Plan**
Identify new opportunities or efforts that will help you reach your goal.

CAMPAIGN ROLES

Campaign Manager
The campaign manager is the most important role on any crowdfunding team, as they are responsible for setting the overall strategy and direction of the team. This individual should keep their finger on the pulse of the campaign, and marshal any necessary resources to keep the campaign on track.

Tasks:
• Selecting strategies and tactics.
• Assigning roles.
• Ensuring the overall performance of the campaign.
• Reporting to stakeholders.

Social Media Manager
For many larger campaigns managing social media is a significant effort in and of itself.

Tasks:
• Selecting social media channels.
• Building up the campaign content bank.
• Listening! Hearing the conversation that is occurring online and engaging with donors and prospective campaign contributors.

Customer Service Lead
Providing a timely response can be the difference between a donor and someone only visiting your campaign page. Ensure that someone is standing by to answer questions in a timely manner.

Tasks:
• Managing the campaign email inbox.
• Responding to campaign web page inquiries.
• Identifying campaign issues and communicating them to the Campaign Manager.

Campaign Spokesperson
This individual is the public face of the campaign, representing the project in any video and written correspondence.

Tasks:
• Handle media interviews.
• Speak at real world events.
• Be the voice of the campaign.

Volunteers
Many campaigns are able to invite a group of volunteers to assist with the myriad of miscellaneous task. Volunteers can add bench strength to your team or take on any of the roles listed below.

Tasks:
• Reward fulfillment
• Event creation
• Campaign feedback
• Miscellaneous

During Your Campaign
Throughout your campaign you should be prepared to evaluate how successful your efforts have been. Be prepared to be flexible, seek feedback, and test which of your efforts are driving donors to contribute. If your marketing appears not to be working then don't be afraid to change it!

Step 5
Post campaign

ONCE YOUR CAMPAIGN IS COMPLETE
THERE IS STILL WORK LEFT TO BE DONE!

Reward fulfilment
If you've included rewards in your campaign you should get started right away in getting them out the door.

Thank you messages
Remember to thank the donors to your campaign, backers, supporters, and of course any volunteers. Be sure to highlight how they have contributed to your success!

Managing expectations
If you have any hiccups in reward fulfilment or execution of your project, we encourage you to be as transparent as possible. The crowd can be very understanding when you are communicative.

Nurture new relationships
Those that have that backed your campaign represent an important new connection that you should foster, in the hope of turning them into future: backers, partners, clients, champions, volunteers, employees, sponsors, etc.

COMMON MISTAKES & LESSONS LEARNED
ASSOCIATED WITH CROWDFUNDING CAMPAIGNS

Below is a list of common mistakes that charities and nonprofits have made when executing crowdfunding campaigns. We've paraphrased and anonymized the information.

• We underestimated the time commitment involved.

• We didn't test our campaign adequately.

• No one wanted a t-shirt for $200.

• We didn't realize how important having a video was.

• We didn't conduct enough planning.

• We learned that pushing to launch our campaign in time for our event was not more important than being ready to crowdfund.

•We didn't factor in the time and costs (such as shipping) of the rewards properly.

•We didn't notify our entire organization or stakeholders properly.

PROVEN BEST PRACTICES

• Start with a good idea.

• Have an attractive and visually interesting video.

• Keep your crowdfunding campaign to 45 days or less.

• Select the absolute minimum amount of funding you need to make your project viable.

• Leverage in-kind PR and rewards.

• Create a press kit with high resolution images, contact information, project descriptions (of varying lengths), videos, logos etc.

• Conduct daily outreach via email and social media, while courting mainstream media attention.

• Plan in advance of your campaign specific activities to achieve your crowdfunding goal for each week of your campaign.

• Build your tribe of supporters! Engage with your backers and allow them to co-create value with you. Ask them why they backed you. Let them in through early access, beta's, and special events, and anything else that gives them a reason to care and champion your product.

About
HiveWire / CSI / ESDC

About The Centre for Social Innovation

The Centre for Social Innovation is a social enterprise with a mission to catalyze social innovation. We believe that society is facing unprecedented economic, environmental, social and cultural challenges. We also believe that new innovations are the key to turning these challenges into opportunities to improve our communities and our planet.

We're a coworking space, community, and launchpad for people who are changing the world, with four locations in Toronto and a location in New York City. We provide our members with the tools they need to accelerate their success and amplify their impact. Together, we're building a movement of nonprofits, for-profits, entrepreneurs, artists, and activists working across sectors to create a better world. **socialinnovation.org**

About HiveWire

HiveWire is full service crowdfunding agency that engages in crowdfunding platform development, conducts data analytics, and offers crowdfunding consulting services. Since its founding in 2012 HiveWire has facilitated the raising of over $700K, is a national leader in crowdfunding data analytics, and has built two successful crowdfunding platforms. Contact us at **info@hivewire.ca** for assistance in meeting your crowdfunding goals.

About Employment and Social Development Canada (ESDC)

Employment and Social Development Canada (ESDC) is the department of the Government of Canada responsible for developing, managing and delivering social programs and services. ESDC's mission is to build a stronger and more competitive Canada, to support Canadians in making choices that help them live productive and rewarding lives, and to improve Canadians' quality of life.

CAMPAIGN EXECUTION CHECKLIST

Here is is a quick summary of the content shared above. Use it when planning and executing your campaign to ensure you don't miss any steps.

○ **Step 1: Learn the basics about crowdfunding**

- Crowdfunding 101.
- Why crowdfunding?
- Crowdfunding vs. traditional fundraising.
- Why people back your campaign.
- Key factors of success.
- Should your organization use crowdfunding?

○ **Step 2: Build your campaign**

- Understand the anatomy of a crowdfunding page and elements are needed.
- Learn the steps to create an effective crowdfunding video.
- Select your campaign type.
- Brainstorm the pitch, video content, and rewards.
- Brainstorm a marketing plan and campaign goals (including target raise amount).
- Choose a crowdfunding platform, or decide to use your own website.
- Identify potential campaign team/support members, and communicate to your board, executive director, or governance entity.

○ **Step 3: Marketing your campaign**

- Gather, assess, and build your network.
- Develop a communication strategy.
- Conduct outreach to your network, and media.
- Plan your online or real world events.
- Test all facets of your campaign in advance of going live.

○ **Step 4: Execute your campaign**

- Build your daily execution checklist.
- Ensure all roles are filled and team members are active (e.g. campaign manager, social media manager, etc.).
- Iterate your campaign! Pay attention to what is working or not working by getting feedback.

○ **Step 5: Post campaign wrap-up**

- Fulfill reward commitments to backers (if applicable).
- Send out thank you messages to all backers and campaign participants.
- Manage expectations by maintaining open and transparent communication.
- Further develop the new relationships you've gained.
- Celebrate!

Team/Task Management Tools	
Asana	Teamwork without email.
Basecamp	Team based project management SAAS.
Doodle	Easy scheduling doodle.com

Document Collaboration and Sharing Tools	
Google Docs	Real time collaborative document creation and editing. **docs.google.com**
Dropbox	Embedded document sharing. **dropbox.com**
Hightail	Share files and folders, including large files. **hightail.com**

Communication Tools	
MailChimp	Email marketing solution. **mailchimp.com**
Boomerang	Adds scheduled email sending to gmail. **boomeranggmail.com**

Aggregating Tools	
Google Forms	Create and analyze forms for free. **google.ca/forms/about**
Rapportive	Adds LinkedIn profiles (and information about contacts) to Gmail. **rapportive.com**
HelpAReporter	Free publicity by connecting news sources with journalists. **helpareporter.com**

Search and Tracking Tools	
Google image Search	Drag and drop images from successful campaigns to identify media sources. **images.google.com**
Bit.ly	Trackable custom short links. Click metrics. **bit.ly**
Goo.gl	URL and click analytics and generation of shortcodes. **goo.gl**

Social Media Tools

Buffer	Social Media message scheduling and sharing. **bufferapp.com**
Crowdbooster	Social Media analytics. **crowdbooster.com**
Hootsuite	Social Media Management Dashboard. **hootsuite.com**

Outsourcing

TaskRabbit	Real world task outsourcing. **taskrabbit.com**
Zirtual	U.S. based virtual assistants. **zirtual.com**
Elance	Hire freelancers on demand. **elance.com**
Fiverr	Hire freelancers (images, videos, marketing, etc). **fiverr.co**

Media Content Generation

YouTube Editor, Windows Movie Maker, iMovie, Adobe Premiere, Final Cut Pro.	For video editing and production.
FotoFlexer, Shutterstock, istockphoto	For photos
Infogram, Visual.ly, Inforgr8	For infographics

Automation

Zapier, IFTTT	Easy task automation

Tool Discovery

Producthunt.com	Discovery engine for new tools.
techsoupcanada.ca	Charities and Nonprofits receive free and discounted software.

CHOOSING A CROWDFUNDING PLATFORM

With over 77 Canadian crowdfunding portals, and greater than 1000 portals internationally there is a great deal of choice to consider when creating your campaign.

Here are some key points to keep in mind when selecting a platform:

• The majority of funds will come from your own efforts. Unfortunately no crowdfunding platform can guarantee supporters or success. Therefore it is very important that you assess the strength of your own network and develop a strong marketing strategy.

• Look for features that matter to your organization (e.g. receipting, statistics). Understand the fees that the platform charges, and when they will make funds available to you (and by what process).

• How easily can you customize your campaign page?

• Identify if the platform offers customer support or learning resources to help you succeed.

Did you know?
A full listing of crowdfunding service providers is maintained by the National Crowdfunding Association of Canada?

Visit **ncfacanada.org** and check out their Canadian Crowdfunding Directory

POPULAR CROWDFUNDING PLATFORMS
FOR NONPROFITS AND CHARITIES

Selecting the right platform can often feel daunting, so we've created a list of platforms with some notes to help you get started. Note that you should align the platform's features with your campaign needs (e.g. "I'd like to offer rewards to my supporters").

A Sample of Canadian Crowdfunding Platforms

Online platform to support donations and fundraising online.
canadahelps.org

Online platform to help manage charitable giving.
chimp.net

Formerly Artez Interactive. Provides front-end payment and donation management products.
frontstream.com

Crowdfunding platform that allows anyone to raise money from any-where in the world.
fundrazr.com

Crowdfunding platform run by the Toronto Fringe, a non-profit arts organization.
fwyc.ca

Fundraising, volunteer, and donor management software for nonprofits.
giveeffect.com

Crowdfunding platform that includes a perks marketplace and charita-ble receipting.
RaiseHope.org

Non-Canadian Crowdfunding Platforms

causes.com	fundly.com	pozible.com	useed.org
causevox.com	Fundraise.com	rally.org	youcaring.com
classy.org	globalgiving.org	razoo.com	
crowdrise.com	indiegogo.com	rockethub.com	
firstgiving.com	kickstarter.com	startsomegood.com	

Note: the above list is neither exhaustive nor complete, but represents a sample of crowdfunding platforms that have been utilized or suggested by Canadian nonprofits and charities. Increasingly we are seeing orga-nizations host crowdfunding campaigns on their own websites, which is also a viable option. Campaigns that avoid a crowdfunding platform may be called 'direct crowdfunding', and can afford a few advantages to or-ganizations willing to go through the challenge of setting up such a web page. Most notably, the campaign page can be completely tailored the strategic objectives of the organization, match online branding entirely, and provide access to full website visitor data and analytics.

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