

# **Just Kick Start It!**

*How Crowdfunding Can Get  
Your Project off the Ground  
in No Time*

All rights reserved. Reproduction and distribution are forbidden. No part of this publication shall be reproduced, stored in a retrieval system, or transmitted by any other means, electronic, mechanical, photocopying, recording, or otherwise, without written permission from the publisher.

This publication is designed to provide accurate and authoritative information with regard to the subject matter covered. It is sold with the understanding that the author and the publisher are not engaged in rendering legal, intellectual property, accounting or other professional advice. If legal advice or other professional assistance is required, the services of a competent professional should be sought.

The author and distributor individually or corporately, do not accept any responsibility for any liabilities resulting from the actions of any parties involved.

## **Table of Contents**

### **Chapter 1**

#### **Introduction**

**Page.....5**

### **Chapter 2**

#### **What is Crowdfunding?**

**Page.....8**

### **Chapter 3**

#### **How to use a Crowdfunding Site Successfully**

**Page.....12**

### **Chapter 4**

#### **What Types of Projects and Ideas Work well with Crowdfunding?**

**Page.....15**

### **Chapter 5**

#### **Tips and Strategies to Increase Success Rate**

**Page.....17**

### **Chapter 6**

#### **Types of Rewards to Offer**

**Page.....20**

## **Chapter 7**

### **Marketing your Campaign**

**Page.....24**

## **Chapter 8**

### **Crowdfunding Websites to Check Out**

**Page.....27**

## **Chapter 9**

### **Creating a Long Term Business**

**Page.....33**

## **Chapter 10**

### **Common Pitfalls to Avoid**

**Page.....35**

## **Chapter 11**

### **Selecting the Right Crowdfunding Site for a Particular Project Type**

**Page.....39**

## **Chapter 12**

### **Conclusion**

**Page.....42**

# Chapter 1

## Introduction

Getting a project or business idea off the ground is very possible with the world of e-commerce. You can get started without a ton of money invested in marketing and other elements of a brick and mortar business. It also means less overhead so more money can be created as profits.

The biggest obstacle though is reaching the target audience. They have so many choices when it comes to shopping around online. It can be too easy for your business to get lost in the shuffle. Taking actions that will kick start what your project is all about is very important.

One way to do this is through the process of crowdfunding. You may not be very familiar with what it offers or how to go about it. Yet this one concept can make a profound difference in the outcome for you. That is why more people are using it as a tool and a resource for what they wish to promote online.

There are differences between crowdfunding and donations. They aren't the same, and understanding that is important. The biggest difference is that crowdfunding is part of the American JOBS Act. This allows it to be considered a part of online sales, similar to stock in small amounts to large

numbers of investors. This is still a work in progress, but the concept is already up and running.

The basic concepts of what crowdfunding sites offer is the same. However, they have many differences among them too. Before you post a project, take some time to see what each offers. In a later chapter, we will talk about some of the best ones to consider. In another chapter, the concept of matching up the right platform with a given campaign to generate funding is also discussed.

You may be saying you like the idea of crowdfunding, yet you are still somewhat intimidated by it. This information will share with you the process step by step so you know what to do and how to do it. You will also learn the best forms of crowdfunding that work well for a given type of project or idea.

Taking the guess work out of the equation means you can create a plan of action. You can utilize your strategy and you can move forward at a pace that challenges you and also helps you to get the results you have been seeking. It is time to raise the bar and to see yourself at the top of that mountain.

Rewards are a huge incentive for consumers to follow your project or idea. Use them wisely in order to increase the results you get. In order to successfully gain traffic, you need to have diverse marketing in place. In this day and age, that also means implementing social media. Learn how to make your crowdfunding efforts go viral!

The funding of crowdfunding is very creative. It can be used for any type of company, any type of project, and any type of idea you may have. It can even be used for non-profit organizations. They often think they can't use it due to the various laws that surround a non-profit entity.

The amount of money that can be generated through a crowdfunding campaign depends on several factors. They include:

- Quality of the marketing and outreach
- Niche market
- Types of rewards for contributors
- Length of time the campaign runs

As you continue reading, you will be motivated to get started with crowdfunding for your project. You will see how you can use it successfully and also avoid common pitfalls. You will also be able to see the value that it holds in terms of taking a project or idea and turning it into a long term business venture that is successful and profitable!

# Chapter 2

## What is Crowdfunding?

Fully understanding what crowdfunding is leads down the path of successfully using it. The process involves getting a large number of people to donate a small amount of money for the project or idea. The money is generated by raising awareness through marketing, typically done online.

The idea is to help small businesses because they know all too well the struggles that have occurred in the difficult economic times. They may be barely getting by and making a small profit. This doesn't leave them funding for expanding, for major repairs, or even for adding new products or services.

The process of crowdfunding can help to give them a boost so that they can continue to move forward. They can compete with the larger businesses and they don't have to worry about the cash flow issues. They don't have to struggle with lenders that make it very hard for anyone to get a loan these days. It is significantly hard for a small business to borrow money due to the risk the lender incurs.

As the business concepts and projects are showcased, it can encourage consumers and those with an interest along those lines to make the

decision to donate. They only have to donate a small amount so it isn't a huge dent in their budget by any means. Yet those small donations will quickly add up when the number of donors is significantly high.

Obtaining traditional types of investors can be frustrating and it can feel like a dead end street. It can be extremely difficult to entice them to invest funds in a business, an idea, or a project that is risky. They don't want to jeopardize losing their funds. With the tougher economy, they have become far more selective about who they invest with.

Crowdfunding campaigns though remove those frustrations because they are funded by the typical citizen. The general public is going to offer the revenue that the business, idea, or project is lacking. The connections continue to trickle in too because people often share the information via social media.

With crowdfunding, starting out with contacts including friends and family is the way to go. From there, you can consider various acquaintances through social media. People will then branch out and share with others they know. The foundation is in place and the traction continues to build as the information spreads.

Don't underestimate the power of the general public when it comes to supporting a cause they believe in. When they see that others are also supporting it, that further entices them to also make their contribution. While creating crowdfunding isn't hard, it does take some planning. A great campaign isn't going to materialize on its own.

In order for the proposal to go viral, which should always be the goal, there has to be solid information. There has to be material that evokes a strong positive response from those that see it. That is the only way they are going to feel confident enough about it to make a monetary donation towards the cause.

With that in mind, plenty of details need to go into the creation of the proposal. There are several steps that should be part of the overall outreach. They include:

- Creating distribution lists
- Allocating all social media outlets
- Creating videos
- Local media contacts

Some people are hesitant to use crowdfunding as they don't want to seem like they are asking for a handout. However, if you want people to join your cause and financially back it up, then you have to give them some solid information to work from.

One of the projects that I donated to recently was the upgrades for projectors at the drive-in about an hour from my home. It is one of the few left out there, and a very enjoyable place to go. However, they were at risk of closing down because the laws were mandating all of them to switch over to a digital screen format. The cost was \$150,000 for the three screens total.

Through crowdfunding, they were able to get the money and they will re-open this summer with all three screens in place with the upgrades. People that read about the problem were willing to contribute to the cause, including me. They thought about the good times at the drive inn, the way it offered family fun or a wonderful date location, and the risk of losing it was too great to ignore.

When creating a crowdfunding campaign, it is very important to remember three key points:

- Contributors will connect to the purpose of the campaign if they understand what and why.
- Contributors often connect to the campaign due to the rewards.
- Contributors will connect to the campaign based on the way it is presented.

The people that respond to your crowdfunding idea also influence others to do so. With that in mind, they influence the overall value of the campaign. They will continue to promote for you what they feel is important. This can contribute to the overall growth of the money for the campaign.

# Chapter 3

## How to use a Crowdfunding Site Successfully

In order for a crowdfunding site to be used successfully, you have to take the time to really find out what it offers. While there are plenty of really good sites out there, plenty are also scams. You also have to make sure you match up the type of site with the type of project or idea you are working on. That will be covered in more detail in its own chapter.

There were more than 450 crowdfunding platforms in 2012 that were identified. The user has to make sure they fully understand what a given platform offers them. They also need to make sure that the platform is legitimate for their purposes. Unfortunately, there are scams out there, people just looking to prey on those trying to do this the right way.

When selecting the crowdfunding platform to use, there are several things to take into consideration. They include:

- Profile – What is the type of information used to create the project profile? This is very important as it needs to be detailed. The better the details are, the stronger the reputation of that source. It also helps with evoking more of a sincere response from the general public. Not only in terms of them making a financial contribution, but also for them to feel enticed to share that information to donate with others.

- Marketing – It should offer marketing means that can prove there is an audience for that project out there. It should also help with creating a campaign that has every opportunity of being highly successful. Being able to obtain positive feedback is a big part of seeing that successful outcome.
- Audience Appeal – The crowdfunding platform needs to offer a forum where people can engage with their target audience. This can include offering updates, sharing feedback, and even showing the level of success that has been made thus far for reaching a monetary amount that was the set goal.

## **Variations**

Keep in mind that the features can vary from one site to the next, and that is why the right crowdfunding resource for a given product or idea has to be considered. The ability to accept money through that given site is also important. They act as a third party so that you don't need to have a credit card processor to collect the funds that citizens wish to donate.

The page that is created needs to really draw in supporters to the crowdfunding purpose. It should help them to feel an emotional connection and it should assist them with feeling confident the money they are parting with will be well used. Words, pictures, and videos are all an important way to tell the story. Explain why you want the money, what it will be used for, and the goal amount.

## **Launch from your Network**

As mentioned, the more momentum you can get behind a cause, the easier it is for people to make the decision to donate money. Tell your friends,

family, people at church, people you work with, and your neighbors about what you plan to do. Ask everyone to help you out by sending emails to those that they know that may also be supportive of the cause.

By creating traction with your own network, you will be able to generate a desire from others to help you with the crowdfunding. Your own network diving in and helping shows that you are serious and it gives you some credibility for your project or idea to grow from.

Starting with your own network also helps you to make sure you have everything you need for outreach. If they have questions or your goal isn't clear to them, it won't be to the common citizen either. They can help you with tweaking your delivery so that it is well received.

## **Go Public**

Once you are ready to move forward, you can link your crowdfunding to your Facebook page. You can put a comment with a link on Twitter. You can also put it on the homepage of your website. We will cover marketing your crowdfunding more in a later chapter.

## **Enjoy the Visual**

Take some time to look around at the various crowdfunding sources out there. What do you find to be visually appealing? Believe it or not, that is a big part of what will get people to donate. It has to be the combination of what they are helping and the way that it is presented.

# Chapter 4

## What Types of Projects and Ideas Work well with Crowdfunding?

The internet has offered an opportunity to take fundraising to a new level. The technology available makes it possible for crowdfunding to be a viable solution. It is still in the early stages but it is anticipated to continue to grow. Many experts believe it is on the rise, and here to stay. It isn't just a passing trend.

That is why getting involved with crowdfunding now is the time to do so. The consumers are still in awe of it and they feel the passion and the motivation to donate to a cause that they feel is worthy of their money. It doesn't matter how much or how little each contribution happens to be.

It is important to use the right type of crowdfunding platform for a given project. That will be covered in a future chapter. Here, we will cover the types of projects and ideas that work well with crowdfunding. What you will find is that there are few businesses, ideas, or projects that can't benefit from it. As previously mentioned, it can even work with non-profit!

The concepts that can be covered include:

- Personal expenditures
- Non-Profits

- Corporations
- Fundraising
- Cause oriented
- Scholarships
- Sole proprietorship

You can actually make any type of project work with it. The key though is to use the right platform to present it. All of that will be covered in a later chapter. It is important at this point though to realize that you can't just randomly pick one and then hope it works out. There is more to the process than just a few clicks here and there.

People have gotten into trouble with crowdfunding too by not being trustworthy. Don't put a campaign out there that you need a medical procedure and then people find out later than you used the money to pay for your winter vacation in the Bahamas!

It isn't illegal to ask for money to fund your vacation – but you can't be misleading about how you present information. Some people have put ideas out there like this to help them get money for a certain personal venture, and they get it! Why not the same for you?

# Chapter 5

## Tips and Strategies to Increase Success Rate

In order to really be successful with crowdsourcing, you need the right set up. In the previous chapter, we covered the various types of projects that you can consider using it for. We also covered making sure you start out with your own network so that the concept can gain traction.

### **Clear and Concise**

Readers and viewers of videos don't have all day. They don't want some long, drawn out sales pitch. They want a clear and concise understanding of what you need and why it is important for them to contribute. This includes:

- The cause
- The timeframe
- The use of the funding
- The amount of money needed

Create a unique outlook that is positive and that is encouraging. Make people feel like if they don't contribute, they have really let something good pass them by. They should feel an emotional connection to what you share, and feel good to be a part of it.

## **Monetary Amount doesn't Matter**

Some people feel that the money they have to offer isn't going to be enough to make a difference. They may only have \$20 that they can offer. Make sure when you promote your cause, you share with the audience that every donation, no matter how small, does make a difference.

This is important because it helps them to feel they have done enough. People have bills and priorities so they may not have lots of extra money. Yet they will contribute what they can, and it all adds up to being closer to your goal than you were before.

## **Further Promoting**

Encourage people that read about your need with crowdfunding to also share it. This is a simple but highly effective way to keep it in the public eye. Those that see it can continue to promote it on your behalf. It helps to ensure that the promotion doesn't go dead in the water.

If you don't continue to promote, it can become stagnant so you need all the help you can get to put the information out there from all directions. Get your backers involved by really going the distance with them. Create a personal touch, a message that comes from the heart, and a way for them to feel connected to you.

Don't assume that people will share on their own either! Ask them to do it! Tell them that you appreciate their willingness to share the campaign with others. This will remind them that it is a good idea to do so. They may not think about it otherwise, and that can cut your expansion very quickly and reduce traction so always ask for them to do it!

## **Rewards**

Try to come up with some type of reward or perk that will get people to donate money. You can even offer different rewards based on the dollar amount that they offer. This may be a way to get people to bump up to the next higher donation category.

Put some thought into the rewards that you offer. They don't have to be tangible but they do need to offer some value. We will cover some great ideas for rewards in the next chapter.

## **Credibility**

Always be honest with the general public regarding what your project consists of. If you are honest, you will gain support. If you aren't then you will get called out on it. This will ruin your goal and it can even lead to criminal charges in some circumstances. Don't ruin the process of crowdfunding for everyone by not showing the big picture from the start.

Everything should be black and white, don't leave it up to assumptions on the end of the reader. They shouldn't have things open to interpretation with shades of gray in there. Your ethical behavior is important and don't give people any reason to second guess what you are asking for.

# Chapter 6

## Types of Rewards to Offer

We previously touched on the concept of offering rewards or perks to those that donate money. It can be across the board – everyone that donates gets the same reward no matter the dollar amount. It can also be different perks depending on that amount of donation.

Rewards should offer overall value to the donor. They should reflect the type of project that the funds are being raised for. Keep in mind that there can be a cost involved with such rewards. That can take away from the bottom line money available for the project from what is raised.

By taking what is raised and subtracting what is spent on the rewards, that gives you the funds left over. With that in mind, crunching the numbers is very important before you start your campaign. You may need to offer a reward of less value to increase the money to be used for the project.

Another concept to consider is to increase the amount you need by adding in the extra for the rewards. This ensures you can get your total amount of funding AND still offer a great reward. Have a solid plan of action before you announce your campaign.

Here are some great reward ideas that you can consider using. Of course you can be very creative and put your own spin on things to fit your target audience.

## **Product or Service**

If you are raising funds through crowdfunding for a specific product or service, you can offer that to the donors for free. Of course they will need to donate enough to cover the cost of that product or service AND additional to contribute to the cause. If the product has to be shipped to them, make sure your account for that cost too.

There are ways to get around the cost though. For example, offer them a product that is a digital download. You can also offer them a service that consists of the value being time saved or other benefits to them.

If you are going to offer a product or service, a perk can be to offer them early access to it. Maybe the general public won't have access for a few more weeks or even a month. However, those that donate to the cause can have that exclusiveness of early access.

Another idea is to offer an upgraded version of the product or service. Those that contribute money for the cause through crowdfunding can get an enhanced option. They can even get what would be known as a collector's edition. Perhaps a signed copy of the product is what would appeal to them.

## **Memorabilia**

There are plenty of types of memorabilia that you can offer as a reward. This can include t-shirts, pens, caps, stickers, and much more. Bumper stickers were once very popular but not so much in use now. Find items that are a sure reminder of the contribution they made to a particular cause.

## **Drawing**

Instead of giving everyone a reward, they can be randomly selected. There can be a drawing for some particular prizes that are shared. For each amount of money offered, they get one entry. For example, if that amount is \$10 and someone donates \$50 then they get 5 entries.

Make sure the prizes are clearly shown and the date of the drawing is also given. Then post the winners by their first name, last initial, and their location. Make sure you collect contact information when they donate including full name, address, and a phone number.

## **Recognition**

If you are hard pressed to spend any money on rewards, consider recognition. This can be a plaque with the name of everyone that donated. It can be a certificate that thanks them for their contribution. It can even be a personalized letter than shares with them the passion behind the project and the thankfulness that they donated.

If you are creating a product such as a CD or DVD, recognition can be in the form of the credits inside the booklet. Listing the names of those that helped make the project possible is a great perk that they will always cherish. What a unique feeling it is to open up such a booklet and find yourself mentioned in it!

## **Event Access**

You may be able to offer event access to those that donate through the crowdfunding campaign. This can be to a private party, a private screening, a listening party, and even an opening event for a gala. The exclusive invitation to be part of that successful event may be what makes the difference between some people donating and some not doing so.

# Chapter 7

## Marketing your Campaign

Your crowdfunding project won't go far if you don't put a great deal of thought into the marketing aspects of it. You need to use multiple streams of contact to make it work.

### **Email**

Jump start your marketing efforts by getting some autoresponder emails in place. They can go out to those on your contact list at regular intervals. This helps to generate a buzz and to get people curious about where you are going with all of it. Try this a few weeks before you launch the actual crowdfunding campaign.

### **Social Media**

There are many forms of social media out there that will help you to get the information shared. As more people see it and they share it, the results can be phenomenal. Information should be shared through Facebook as that is the #1 social media site.

Twitter is also a great way to share information. You will have to keep it short and sweet there. However, you can add links that allow you to

redirect them to a Facebook page, a website page, or to a video. As a side note, your marketing through Facebook shouldn't be on your regular Facebook page.

Instead, you should create one that is specifically set up for that project. If you use crowdfunding for more than one project, create a page for each of them. This helps donors to be able to differentiate them.

## **Website**

Create a website that is dedicated to your cause. Here, you can really elaborate and offer some background information on the cause. You can have an About US page, a cause page, a campaign link page, and much more. You can also have a support email that they can click on to ask questions before they donate.

## **Videos**

The use of videos for marketing crowdfunding campaigns is very successful. People seem to have a better positive response to them than they do just to reading text. This is a wonderful way to show you are dedicated to the cause and to give people an inside look at what you are all about.

## **Be Specific**

A vague campaign isn't going to generate the results you hoped for. Make sure you have information that offers a complete concept of what you are trying to accomplish. When it is done right, those that share a passion for such a cause will have no second thoughts about donating to that cause.

The campaign needs to state why money is needed and how much is needed. Details need to be given about how the money will be used. For example, saying the money will be used to save the whales isn't good enough. It needs to say what specific actions will be taken for them. It needs to talk about why those actions will make a significant difference.

The end date of the campaign also needs to be there. This allows people to see how much needs to be raised in what span of time. There should also be daily updates that show them the amount that has been raised. As that amount grows, more people will be inclined to see the campaign successfully reach its goal.

## **Make it Viral**

Do all you can to make the marketing you offer go viral. If you have put some effort into really evoking positive emotions from viewers, they will help you. They will share that information and that span that is covers grows and grows from who you initially reached out to.

# Chapter 8

## Crowdfunding Websites to Check Out

There are numerous sites that offer crowdfunding options. These platforms are safe for those that wish to donate money to do so. It is really a personal choice about what you would like to use. In a future chapter, we will talk about making sure a platform matches well with the given campaign approach.

With that in mind, you may need to spend some time looking around. Explore the different websites and find those that you can easily work with. You may decide you want to use different sites for different types of projects.

There are more and more crowdfunding websites added all the time due to the increased interest in the possibilities. The general foundation for them is all the same. However, you may find you like a unique layout or a particular option on certain sites.

Each of them allows you to create a project. There are step by step instructions so you don't have to worry that you don't have previous experience with it. There is a walk through that allows for a short video to be made, an introduction statement, images, and even information about rewards.

Here are some that you can look into and get a good idea of what they offer:

## **Crowdrise**

If your cause has to do with a worldwide issue, then Crowdrise may be the place to get that campaign in motion. They have a variety of causes that they will approve. The most common ones include:

- Arts
- Animal Protection
- Culture
- Disease Prevention and Cures
- Education
- Emergency Resources
- Religion

They are also one of the big platforms where people raise money for personal causes. The most common ones that fall into this category include:

- Birthdays
- College Tuition
- Fertility Treatments
- Funerals

- Vacations
- Weddings

The fee structure of Crowdrise is more complex than with the other platforms. First, there is a flat fee that is charged of 4.95% of all donor funds. There are also monthly flat fees that have to be looked at. They depend on the type of organization. Some of them are free for non-profits but others can be up to \$199 per month.

## **GoFundMe**

One of the simplest sites to use is GoFundMe. It can also be used for personal campaigns in addition to those for business. It can be a bold move to ask people to pay for your medical bills or your pet to have surgery. Yet people do it all the time. This is more of a donation site than anything else.

It is one of the good sites in terms of how social media is integrated for crowdfunding. You can use several different donation pages as well. This can help if you want to try slightly different campaign approaches and test which of them gets you the best results in terms of donations.

GoFundMe takes 5% of the donations that you receive. It integrates with both WePay and Paypal. There are fees from those companies too that you will have to take into consideration.

## **Indiegogo**

If you are looking for an independent type of set up that you can really personalize, consider Indiegogo. You can easily use it for any type of crowdfunding campaign without difficulty. This is also a great one to use if you have rewards due to the built in feature where they can be displayed.

Indiegogo is only integrated with Paypal so that is where the money has to go through. They charge 4% of the funds that are raised and then Paypal has their fees as well. Indiegogo also charges a \$25 fee if the campaign isn't based in the USA. If there are credit cards used by donors, they also charge 3% of that. So the downside is the fees can really eat up a chunk of the donations.

## **Kickstarter**

The most common of all the crowdfunding sources people use is Kickstarter. They have helped people to raise more than \$220 million! There are people with money to give away that actually visit this site often. They are simply looking for justified causes that they will donate their funds to.

This site has more rules about the types of projects that can be set up. They don't allow anything personal so you can't fund your vacation or moving across the country here. They don't allow scholarship collections either. Make sure you read through all the terms before you set anything up with this site. Everything will be carefully reviewed before it is approved.

The fees through Kickstarter are 5%. They are integrated through Amazon who will charge 3% for all credit cards. You must be a USA resident and provide a valid social security number for payment to be released.

## **Razoo**

Another popular site that has helped generate tons of money for various campaigns is Razoo. Their main type of project though are those that are for a cause rather than raising money for personal use or a business to benefit from. They have four categories that a campaign can fall under.

They are:

- Corporations
- Individuals
- Foundations
- Non-Profit

Razoo also has a smartphone app that can help you to reach more donors than just the typical online media marketing efforts. This is very high tech and it can make a huge difference in the amount of money that is generated for the cause.

Another reason why people enjoy Razoo for their crowdfunding is the low fees. They only charge 2.9%, even when credit cards are being used by donors. This is significantly lower than what other sites charge.

## **RocketHub**

There is a three step process involved with setting up a crowdfunding campaign at RocketHub. The progress is also simple to track with the tools and that is part of why people launch from this particular website above the others. It is highly recommended for someone creating their very first campaign.

You do have to be very diligent in the amount that you ask for with a campaign through RocketHub. If you reach that goal, they will charge you 4% of the donations. If you don't, they will keep 8%! They also charge 4% of the credit card donations, which is about 1% more than the average.

# Chapter 9

## Creating a Long Term Business

It is possible to create a long term business if you can get a concept generated that works. You can demonstrate that there is a need for what you offer in the market. If you have a product or service that the general crowd of consumers out there is willing to back, then you may have a real winner on your hands.

You can use the money that is generated through crowdfunding to help you get the business off the ground. Maybe you need money for advertising. Perhaps you need funding to help you with creating the product or getting inventory in place. It could be the packaging and shipping.

The bottom line is that many businesses lack the startup funds. You may have a really good idea on your hands, but no way to promote it. The lack of investors out there willing to give you a chance can be frustrating. Many lenders fail to give loans even if you have a great business plan. They simply don't want to take the risk of not getting the money back.

You can even pre-sell the concept of a service or the product to help you generate the income you need to get started. You can use that product or service as a reward which we covered in a previous chapter. By getting a

cash flow in place that you don't have to pay back, it can be the foundation for a very profitable long term business.

As your business gets off the ground, let people know about it. They are going to love to see the history in the making for that business. They aren't going to just donate money and then it gets forgotten. Help them to see the true value of what the business got out of it.

Likewise, the business should be willing to give back. Set a good example by also donating to other crowdfunding requests as your business makes profits. The fact that you were successful in making money can encourage people to continue donating to other requests. This is the way to help boost the economy so that it is getting back off the ground and climbing.

If getting the money in place is what is holding you back, consider crowdfunding. It can make the difference between your product or service getting out there or not. It can also help you survive that very crucial first year where more than half of new businesses fail. It isn't due to a lack of dedication or the quality but lack of cash flow. This concept can change all of that, boosting the overall economy around the world!

# Chapter 10

## Common Pitfalls to Avoid

Up to this point, we have been talking about all of the right things to do regarding crowdfunding. However, it is important to point out some of the common pitfalls that people get caught up in. Being aware of them means you can take action to prevent them instead of succumbing to them.

### **Not Reading Details**

You have to take the time to read the details for a site platform. It is as simple and as difficult as that. The reading can be dry and boring, but you need to take note of what you are agreeing to. Once you click that you agree, you are legally bound by those terms.

### **Not Offering Rewards**

When possible, offer rewards. They will generate more donors for you than if you don't give them anything in return. However, you also have to make sure you don't spend so much money on the rewards that you aren't generating the amount of money when all is said and done that you need for the campaign to be successful.

### **Not Enough Time**

A crowdfunding campaign has to have a timeframe, and if you don't allow enough of it, then you can fall short of your goal. This can be hard to gauge though because too long of a timeframe can cause people to lose interest. They won't have that desire to hurry and donate money and you need that so that your campaign generates traction.

### **Too Much Money**

Don't ask for more money than you really need! With crowdfunding, the less you need the more realistic it is that people will be able to contribute enough. If you need \$10,000 don't ask for \$15,000! If you need \$800 don't ask for \$1,000. On the flip side of that, don't ask for too little.

If you don't ask for enough money to complete funding for the idea or project, you are closer, but still not able to move forward with it. Keep in mind that rewards can cost money and that there are fees associated with the site platform you use. Crunch numbers to make sure you calculate all of that in and then you set your dollar figure to ask for with that campaign.

### **Limited Marketing**

Spreading out your marketing through all branches of social media, emails, and reaching out to your contacts is very important. You can't get your campaign to go viral if you don't have enough contacts at your core to work from.

## **Wrong Platform**

In the next chapter, we will go over the right platform selection. It is really a large piece of the puzzle for you to fit together. Don't rush when it comes to selecting the platform to work with for a given campaign. Look around, ask questions, and really pay attention to what is being offered as well as to what isn't.

Spending a few hours on research can really make the difference between your campaign generating the funds you asked for and it falling flat. Ask yourself what would result in you giving your money for a given idea or project. You also have to think from their point of view. Did you give them enough information in the right format to make it worth it in their eyes?

## **Paying Upfront**

All of the crowdfunding sites have fees that are incurred. However, there should never be anything charged upfront for the set up of the account or the set up of a campaign. There are some scams out there that prey on people looking for a way to get this all set up. They will claim they can set it all up for you after you pay a fee.

The problem though is that you pay the fee and they disappear. They don't get anything done for you and there is no way to get that money back. What you pay should always be based on flat fees and upon percentages that are outlined in the terms and conditions of the platform site provider.

Always take the time to find out the reviews about a crowdfunding site before you work with them. If there are lots of complaints, then you should steer clear of them. There are plenty of good ones out there with a positive reputation that you shouldn't settle for anything less.

# Chapter 11

## Selecting the Right Crowdfunding Site for a Particular Project Type

Identifying the right crowdfunding site for the given project campaign you wish to share is important. This is just as important as identifying who your niche market is. There isn't a one size fits all approach. You need to be able to offer something unique and creative. Otherwise, it isn't going to be appealing enough for people to donate their money.

### **Visual Appeal**

For many donors, the visual appeal of a campaign influences if they pay attention to it or not. If they don't see that appeal, they won't even invest the time to listen to it. Then they aren't going to donate anything for it. The use of photos and videos can be very enticing for a given campaign.

### **Quick Set Up**

The ability to set up the campaign in a short amount of time is important. Some of the sites are more complex and challenging. Some of them only offer basic features and others offer some very detailed options. Think about what you need so that you can get it done to your specifications.

Some of the sites do require some HTML skills to get it done. Others are designed for beginners to use successfully.

## **Payments and Fees**

Identifying the right site based on where they integrate payments through is important. Some of them use Amazon which means the campaign provider has to be USA based. Others use Paypal which can be used by those around the world. There can be fees for the payments, for credit card processing, and more. Make sure you carefully review those fees.

## **Disclosures**

There are plenty of terms, conditions, and disclosures for any of the sites that offer crowdfunding platforms. Don't assume that they are all the same as you will be in for a big surprise if you do. Make sure you fully understand everything before you agree to it. Don't click the box and hope for the best as it can cost you money!

## **Customer Service**

If you have any questions about the information you read, ask! There should be a way to contact customer service via email or by phone. They should be able to answer any specific questions you have. Should you not be able to get a reply or they give you the run around, that is a red flag not to work with that platform provider.

## **Approval**

There can be very specific types of guidelines for a given platform about what they will approve. Don't waste their time or yours by not following these approval guidelines. This information can help you to determine the right platform to use for your crowdfunding campaign. What may be approved on one site isn't going to be approved on another.

# Chapter 12

## Conclusion

Now that you can see the value that crowdfunding offers, and that it is a simple process, it is time to go for it! Just think about the value it can bring to your project, idea, or for creating a new business. The sky is the limit when it comes to what you can do with it. The possibilities continue to grow and it is time to let your creativity help you out.

Understanding what the various crowdfunding platforms offer is a big part of the process. It will enable you to successfully match up the right site with the campaign you wish to promote. It will also enable you to create a great campaign with pictures, videos, and the use of social media. The goal should always be to help it go viral!

Make sure you are always very clear about what you wish to achieve, why, the dollar amount, and the timeframe. These are going to be required sectors of any platform that you choose to work with.

The economic boost that crowdfunding offers is very exciting. This is a wonderful way to generate additional revenue that can help everyone to be more successful and to have a better quality of life. Our economy as a whole has been sluggish for far too long. Many people have wonderful business ideas, but the investors and the lenders just aren't biting.

The concept behind crowdfunding isn't difficult, and it is very obvious how and why it works. What prevents many people from taking the leap though is it seems just too easy! They wonder what is the catch with it? Who said that getting money had to be difficult? This is a better option than you may have had in the past!

It is a new opportunity with a door wide open. Don't let fear be what holds you back. Fully understanding the concepts of crowdfunding can ease your fears. It can give you the confidence to get that first campaign in motion!

Following the tips and strategies, you can see your campaign reach its goal. It can be a challenge at times if you have a short window to work with. By being honest, being direct, and sharing details though you can get results. People are willing to donate money when they feel it will be going towards something better.

Avoiding common pitfalls is also going to help you with success. Just knowing what those patterns and problems have been for others in the past can open your eyes to them. Creating a quality strategy from the start with all of the elements in place will assist you with getting results.

Take your time to really indulge in the various forms of marketing. The more you branch out, the more results you get. The more exposure you get, the more people pass along your campaign information. Let them do the work for you once you have that initial concept seed planted.

Rewards and perks are a great way to generate more funds too. Take some time to come up with a few great ones that won't cost you a ton of money. The goal should be to offer value at a very low or free cost to you.

Don't assume that all the sites offer the same because there are differences. They offer different tools, charge different fees, and they will approve different types of projects. Become familiar with that information before you set up accounts on any of the sites.

Crowdfunding offers a safe alternative to get that money and to move forward with ideas and projects. The power behind it continues to grow. It is legal to take part in this option, so what is holding you back? Use it to kick start your ideas and your quest to reach your goals!