

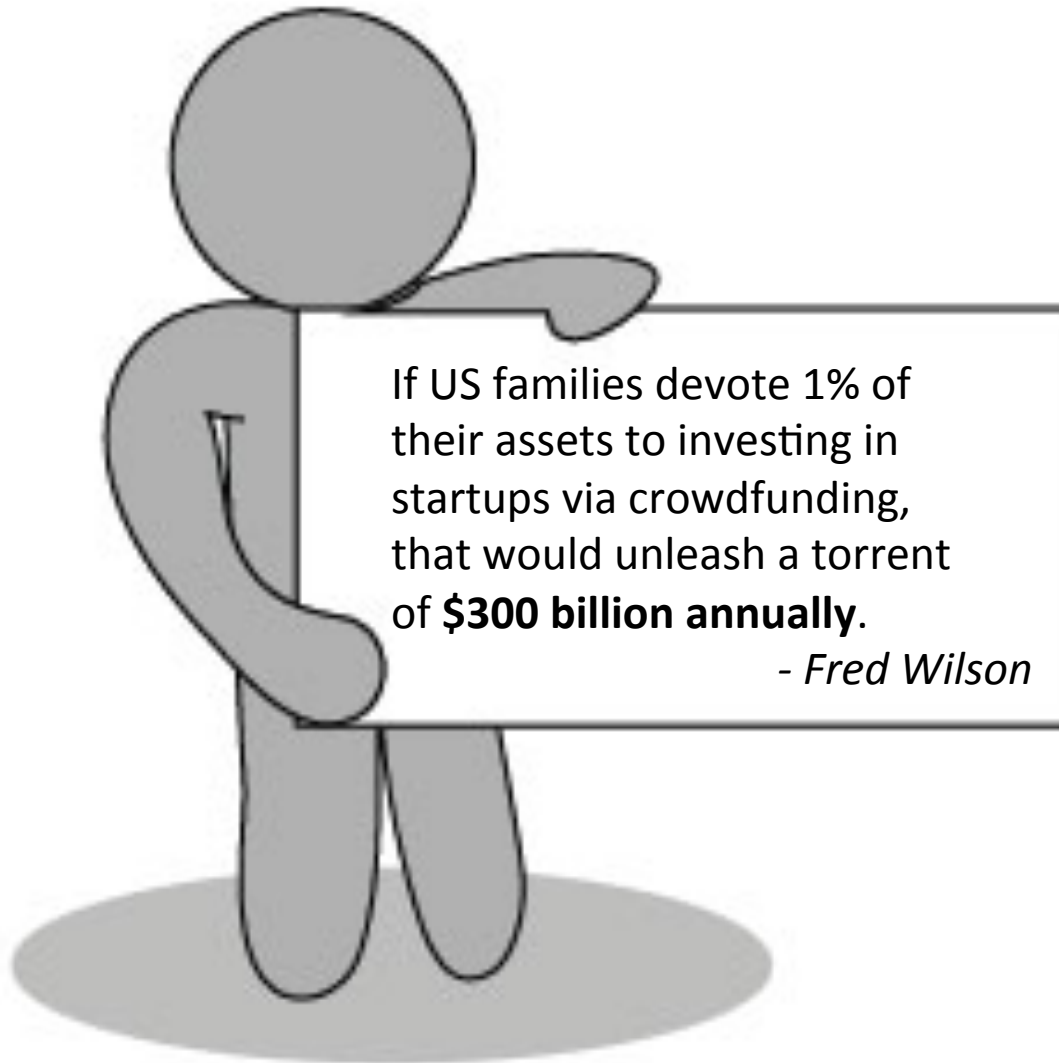
CROWDFUNDING: MARKET *BEFORE* YOU LAUNCH

SET YOURSELF UP FOR CROWDFUNDING SUCCESS: GET READY TO LAUNCH YOUR CAMPAIGN



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If US families devote 1% of their assets to investing in startups via crowdfunding, that would unleash a torrent of **\$300 billion annually.**

- Fred Wilson

Introduction

Asking someone to believe in and support your dream is never easy, but it's essential for most entrepreneurs. Many entrepreneurs have turned to crowdfunding to help launch their startup and get their vision off the ground. Crowdfunding has become a popular alternative for raising institutional funds because you can raise small amounts of money from people at once, and the examples of companies who've grown their startup project into successful companies are becoming a far more frequent occurrence.

A few crowdfunding examples

In one well-known example, last year Pebble raised a record-breaking \$10 million from Kickstarter, one of the better known crowdfunding platforms, to launch a smartwatch that syncs with a smartphone device to do some really neat things. Platforms like Kickstarter, and Indiegogo have become well frequented in the startup community, as well as the population at large. Niche crowdfunding platforms are growing in strength and numbers with sites like Appbackr for mobile apps and Boston's very own Dragon Innovation geared towards hardware startups.



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Building for Success

Building for success: It's all about timing

Priming your campaign for crowdfunding success is a lot like surfing. Surfing is about choosing a good day with strong, predictable waves, and learning to be able to catch the right one at the right moment. Launching a successful crowdfunding campaign entails first choosing the best time to launch.



Building for success: When to launch

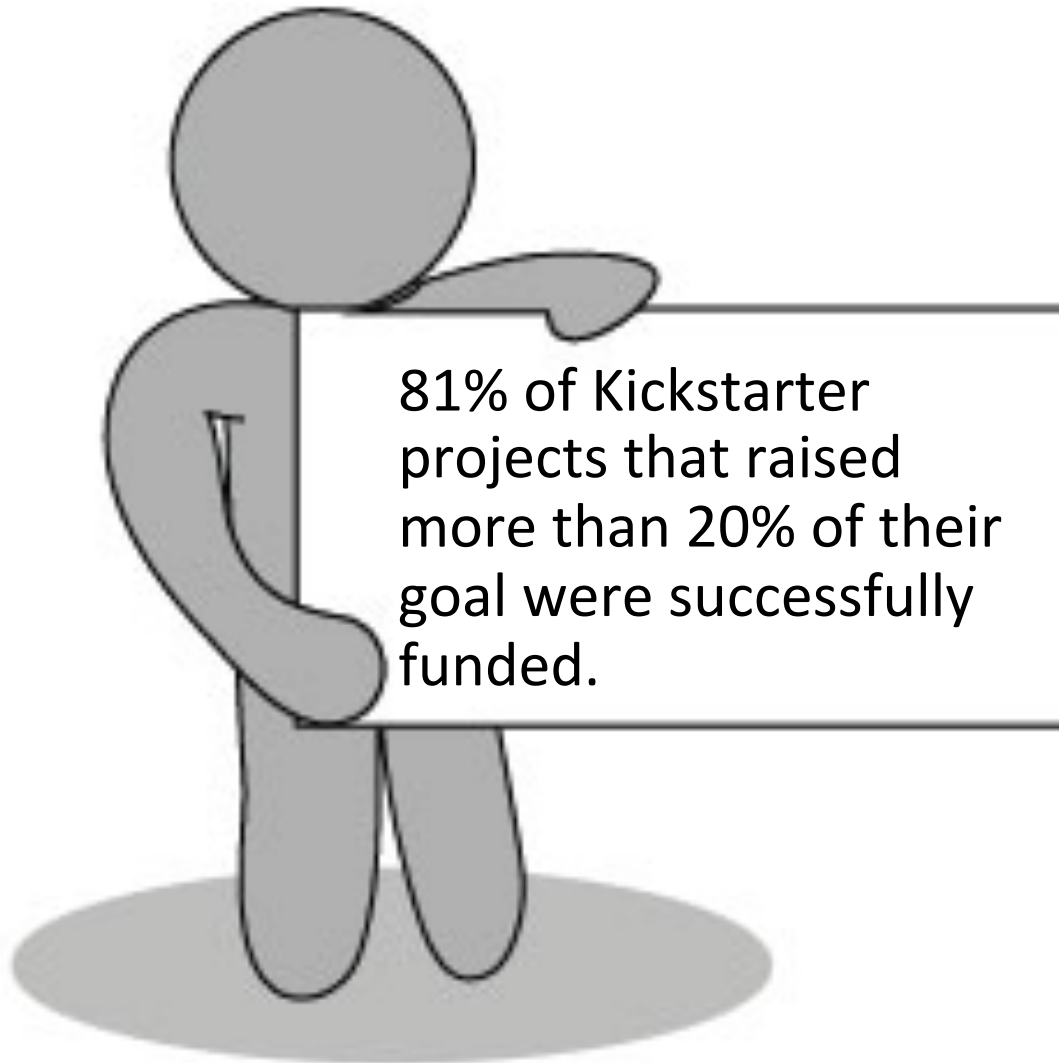
Unfortunately, many startups make the mistake of considering their *crowdfunding* launch date their *marketing* launch date. In reality, it's important to choose the timing for the campaign based on already having accomplished the promotional milestones needed for a successful campaign, as well as taking into account any seasonal demand for your product.

Building for Success: Advice from the trenches

Beth MacDonald, Vice President of Marketing at Dragon Innovations, a crowdfunding platform for hardware ventures, shares her insights, noting that:

- Mobilizing your network of friends, family, and business associates before launching your campaign is crucial.
- It's a matter of finding the right supporters and enthusiasts to promote your product, leveraging the social media channels that will drive traffic to your page, and experimenting with the right incentives and promotions to help you reach your goals.

Successful crowdfunding is a matter of finding the right supporters and enthusiasts to promote your product.



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Preparing for Your Crowdfunding Campaign

Preparing for Your Crowdfunding Campaign

Preparing for a crowdfunding campaign can be daunting—especially when you don't have a marketing expert on the team. However, when you choose to bring in outside marketing support or opt to learn the ropes yourself, following a few foundational steps helps set yourself up for success.

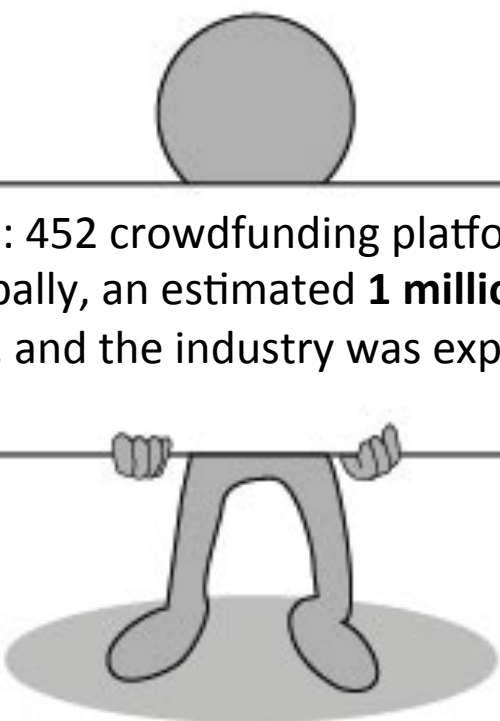


Preparing for Your Crowdfunding Campaign

Molly Levitt, co-founder of BrightLoop, a Boston-based education technology startup that works to improve teacher workflow, recently launched her first Kickstarter campaign and shares some learnings:

- Crowdfunding forces you to understand your market very quickly and test out different approaches to find out what works for you. Throughout the process you need to create and re-evaluate your marketing plan frequently.
- This is a challenge with an inherent benefit, and whether you succeed or fail, the lessons you learn during crowdfunding are very important for the next steps for your company or product.

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In 2013 alone: 452 crowdfunding platforms were activated globally, an estimated **1 million campaigns were funded**, and the industry was expected to grow \$5.1B

Step #

1

Launch Your PR Efforts Ahead of the Campaign

Step 1: Launch Your PR Efforts Ahead of the Game

A good PR campaign strategy involves building a story that understands market sentiment while being newsworthy simultaneously targeting specific media channels who will care about the campaign (and hopefully help advocate on your behalf). Ideally, your PR effort should start a few months prior to launching a crowdfunding campaign so that you are building authentic relationships with interested press.

Brush up on your PR 101 skills and put your plan into action.

Your PR effort should start a few months prior to launching a crowdfunding campaign.

Step 1: Launch Your PR Efforts Ahead of the Campaign

You'll want media relationships and the plan in place prior to launch. Journalists can become some of the greatest advocates of your campaign, but they will also see right through your requests if they feel you're only reaching out on a superficial level. They want to cover stories that draw in their readers, so you really need to build your messaging with an outside in mentality.

MacDonald advises, "If you do not have experience with PR seek help from a consultant or agency. Start pitching the press ahead of time but have them hit the public once you are live."

Step 1: Launch Your PR Efforts Ahead of the Campaign

Consider applying the 80/20 rule explained by Tim Ferriss in his infamous “Hacking Kickstarter” post to find that 20% of stories will yield 80% of your press results.

In one’s startup example, a week into Soma’s Kickstarter campaign, its team discovered that www.good.is, which belongs to GOOD magazine, contributed the greatest funds to its campaign because of the audience relevance and a single strong introduction to Soma in a flagship story.





Get started as early as you
can, and don't try to boil the
entire ocean at once.

--Danae Ringlemann,
Founder, Indiegogo

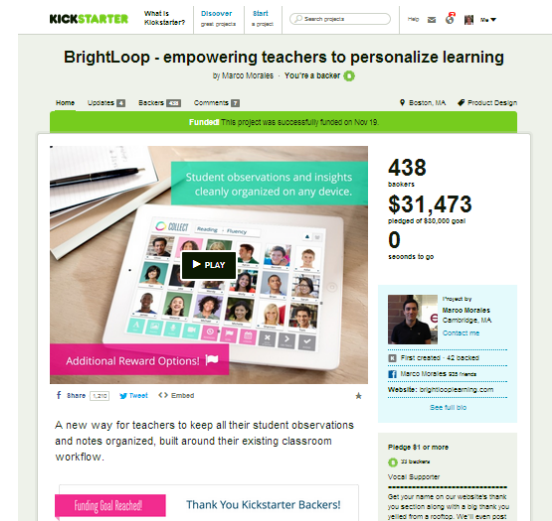
Step #

2

Get Your Marketing Infrastructure in Order

Step 2: Get Your Marketing Infrastructure Organized

- Consider using an email marketing tool such as MailChimp or Constant Contact to help you manage your email campaigns.
- Draft email and social media messages beforehand to reach supporters directly.
- Make sure your website is aligned with your crowdfunding campaign by making the crowdfunding campaign front and center like BrightLoop has done with its site.
- Create landing pages that make it easy to share and promote the campaign, as described by Tim Ferriss' post.



Step #

3

Activate Your Network

Step 3: Activate Your Network

Engaging your supporters and keeping them updated involves creating a robust network on social media prior to your launch, as well as a plan for which segments to engage when and how. It can be helpful to break apart your network into segments based on their interests, needs, and likelihood of their level of interest and participation.



Step 3: Activate Your Network

For example, a segment could include:

- Friends and family
- Former coworkers, acquaintances, and the “anybody-else-you’ve-ever-networked-with”
- “Friendly” influencers
- True target customers



Step 3: Activate Your Network

Have your social media efforts up and running a few months before you launch to ensure your presence is up to par with your campaign needs well before the launch date. Ensure your email list is comprehensive and that you indeed have contact information for everyone you wish to engage.





Social media takes time and
careful, strategic thought. It
doesn't happen by accident.

— Brian E. Boyd Sr.

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Ready, Set...

Ready, Set...

The tactics above are just the basics—the idea is that you should take the time to engage your audience and reward them with incentives for pledging their support to you. Don't be afraid to think outside the box. Host an event and invite everyone you know. Hire an intern army to blanket the social ecosystem. Rent a blimp to fly over your hometown (okay, maybe not the last one, but you get the point).

You should take the time to engage your audience and reward them for pledging their support to you

Ready, Set...

Your crowdfunding campaign should be fun (a lot of work, but fun nonetheless); having a solid plan in place and engaging regularly with your supporters will help you realize an enjoyable and successful campaign.

If you are planning a crowdfunding campaign on your own and may need some help, [contact Magnetude](#) for a complimentary Crowdfunding Consultation.





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About Magnetude Consulting

Marketing for the Entrepreneurial Ecosystem

Magnetude is a marketing agency that works with tech-oriented startups and small businesses to provide a one-stop-shop for the marketing functions our clients need to be successful with services ranging from market research to go to market-planning, messaging and content development, to lead generation.

Magnetude Consulting understands that to be successful, you must toggle between 'get it perfect' and 'good enough'. We bring quality and rigor to everything we do, but also recognize that we're working with finite (and oftentimes limited) time and resources. Magnetude's creative, business-oriented innovators understand the start-up and tech industry ecosystems and couple it with deep and ever-evolving marketing acumen.