

CROWDFUNDING FACT SHEET

What is crowdfunding?

Crowdfunding is a fundraising method in which individuals donate to a fund online to help reach a financial goal or target. Crowdfunding is all about the crowd – engaging with them and getting them to give small donations to make up the target amount. The main way this is done is through the use of social media.

How does it work?

- **Plan your campaign** – Crowdfunding is based on campaigns or projects. The job of your campaign is to effectively communicate your cause (and it's need) to the crowd and persuade them to help fund it. Campaigns are largely run through social media but you can engage people in any way you want.
- **Set your target and deadline** – This is a key stage in your campaign. Setting a realistic financial target, and deadline to reach it, is the basis of a successful crowdfunding campaign.
- **Decide on your 'perks'** – A quirky feature of crowdfunding is perks. A perk is a reward or gift given by the fundraiser as a thank you for donating. Perks are based on a scale of donation amounts and generally the bigger the donation, the better the perk. Example: donating £10 = thank you letter, £30 = free CD, £100 = free ticket to concert. . Perks can also be used as an incentive to donate; it all depends on the quality of the perk.
- **Launch campaign** – Once you have planned your campaign, and done all of the above, you can then launch your campaign. Crowdfunding is all about self-promotion and spreading the word – Facebook, Twitter, Instagram, LinkedIn etc. these are your tools. If you create an engaging campaign people will be interested and eventually start to spread the word too!

Who can use crowdfunding?

Anyone! The beauty of crowdfunding is that anyone can use it for practically any cause. A cause can be a product, project, venture, business – literally anything. Musically, you will find people using it for all sorts of things – to pay for music lessons, the production of a CD, a educational project or workshop, running of a concert etc. Teachers, students, parents, musicians, composers, entrepreneurs, organisations – crowdfunding is for all!

Musical-Things top crowdfunding tips

1. Do your research.

Crowdfunding's popularity is growing and with it the number of platforms offering this service. Each provider has different rules and different rates so it pays (literally!)

to research a few companies before making a decision. Many crowdfunding platforms operate on an all or nothing policy. This means that if you don't reach your goal then the money is returned to the funders and you get nothing.

2. Planning is key.

One piece of advice that is consistent on each website is the importance of planning. Without carefully and thoughtful planning of all aspects of a crowdfunding project, you could potentially miss out on reaching your goal or target. The best and most successful projects are well planned with deadlines, targets and effective strategies on how these can be achieved.

3. Maintain engagement.

Projects that don't keep people interested and engaged do not tend to be as successful as those that utilise social media and are engaging. Indiegogo suggests that contacting your funders throughout your project (1 – 2 times a week) is a good way of keeping them up to date on your progress and also involves them actively in your crowdfunding journey. Crowdfund donators care for the cause they funding and making them feel involved is a good way to thank them. This way they are more likely to spread the word!

4. Don't promise perks you cannot fulfil!

This is just a no-no, especially when people have taken the time and money to support your cause. Make sure your perks are realistic and fulfillable, and if you state a deadline for sending out perks, make sure you meet it. People will lose respect for you and your cause if you don't.

Where can I find out more information?

Check out these website for more info on crowdfunding:

- **Kickstarter** – www.kickstarter.com
Kickstarter is the largest crowdfunding platform and has been running since 2009.
- **Indiegogo** – www.indiegogo.com
Indiegogo is an international platform that offers a flexible option allowing you to keep your funds even if you don't reach your target.
- **Crowdfunder** – www.crowdfunder.co.uk
Crowdfunder is a UK-based crowdfunding platform (both Kickstarter and Indiegogo are U.S.-based).
- **ArtQuest** – www.artquest.org.uk/articles/view/crowdfunding
ArtQuest have a great arts specific article on crowdfunding, which is really useful.

Don't forget: Sharing is caring so don't keep this info to yourself!