KATIE DAY, THE OTHER WAY WORKS
@OTHERWAYWORKS

SUCCESSFUL CROWDFUNDING

CASE STUDY: BLACK TONIC 2015
WHAT IS CROWDFUNDING?

• Crowdfunding is a method of getting finance by sourcing small amounts from a relatively large number of people rather than getting large amounts from one or a few.

• Online crowdfunding allows individuals or organisations to source funds from anyone via a website or crowdfunding ‘platform’.
DO YOU REALLY WANT TO CROWD FUND?
**PROS**

- Money for your project
- Learn who is interested in and will support your work (might surprise you)
- Start building philanthropic relationships and gathering data about supporters
- An opportunity for a big marketing campaign & the benefits that can bring

**CONS**

- Time consuming
- Stressful
- Can be expensive once you take into account fees, rewards costs, your own time
- Reputational risk associated with potential failure to meet fundraising target, or worse failure to deliver project & rewards
some scenarios where crowdfunding is very effective

Gecko: unsuccessful (above) & successful (below)
WHAT'S YOUR PROJECT?
THE OTHER WAY WORKS
BLACK TONIC
2015 Tour
Birmingham
Bristol
Bradford
KICKSTARTER
STAFF PICK
CASE STUDY
WE DID IT!
The campaign was successful!

We raised £3,151 (£151 over our target), and we paid 8.5% of that in fees to Kickstarter, retaining £2,882

We had 86 backers / average pledge of £37 / most popular reward tier £10 with 26% of backers

We had 9 Reward tiers (7 on launch, and 2 added during campaign)

The campaign was 30 days long
CHOOSE YOUR PLATFORM

- Reward
- Donation
- Equity
- Lending
- All or Nothing
- Keep what you’ve raised
FIND YOUR PLATFORM & GET TIPS FROM NESTA

CROWDINGIN.COM
BLACK TONIC 2015

- We chose Kickstarter as our platform
  - Market leader - people had heard of it, and some already had accounts
  - Good support and administrator interface
  - Reward based & All or Nothing funding
  - Fees of 5% + 3% card charge
TASKS

• Define the ‘sell’ or ‘ask’ - tell the story of your project

• Work out rewards & reward tiers
BLACK TONIC 2015

• Reward Tiers

• Keep them as straightforward as you can. Ours were probably over-complicated.

• Start with a £5 or £10 tier, where the reward is a social media thank you or similar

• We chose a ‘hotel’ theme, because Black Tonic is performed in a hotel, and named the tiers after bedroom types: e.g. Executive King, Junior Suite

• Our tiers were: £10, £25, £30, £35, £60, £75, £150, £500, £1,000
BLACK TONIC 2015

• Rewards

• The ‘thing’ itself is always the best reward, so tickets to the event, passes for the festival, the app, the book, the album

• Make sure your rewards don’t cost you so much that there is no profit! Remember to add postage costs

• Someone suggested giving away nice ephemera (old props, props from the show), which costs you nothing

• We produced a series of hotel-themed design items, using the skills we had in the company:
  • a tea-towel with a hotel design
  • a framed print
  • a flat make-your-own card hotel kit
  • + tickets for the show at higher tiers
**TASKS**

- Make a realistic budget with income and costs associated with marketing, reward production & postage, and platform fees & charges - to make sure you won’t lose money!

- Decide on the timescales - how many days will the campaign be live / start & end dates / reward delivery timescale

- Make a pitch video
PITCH VIDEO - HOWEVER SIMPLE, MAKE A VIDEO SPECIFICALLY FOR CROWDFUNDING - HERE’S OURS
PITCH VIDEO - LIONEL RITCHIE’S HEAD
(HTTPS://WWW.KICKSTARTER.COM/PROJECTS/DAVEGLASS/LIONEL-RICHIES-HEAD-BESTIVAL-2013/DESCRIPTION)
PITCH VIDEO - GECKO EMERGENCY  
(HTTPS://WWW.KICKSTARTER.COM/PROJECTS/2060502382/BRING-MISSING-BACK-TO-LIFE/DESCRIPTION)
PITCH VIDEO - HYDE BY SLINGSHOT
(HTTPS://WWW.KICKSTARTER.COM/PROJECTS/HYDE/HYDE-0/)
TASKS

• Write the text for the page & reward tiers

• Create mock-up images for the rewards if you can

• Think about if you will have a Stretch Goal, and what that could be (how much, what’s the additional goal)

• Consider having a physical Launch Event

• Make a social media and marketing plan before you start the campaign, and pre-write & schedule key content if you can

• Get all your mailing and contacts lists ship-shape, and consider segmenting

• Plan the post-campaign - updates to backers, production of rewards, packaging and posting of rewards, adding new contacts to your database, analysis of campaign
NICE TO KNOW - KICKSTARTER

• The most common pledge is for $25 (or £25), the average pledge is $70

• 30 days is the optimum duration of a campaign

• Of the projects that have reached 20% of their funding goal, 81% were successfully funded. Of the projects that have reached 60% of their funding goal, 98% were successfully funded.

• Backers can adjust their pledges UP or DOWN whilst the campaign is live

• It can feel like tweets and updates about your crowdfunding campaign are swamping the entire internet, but this isn’t the case of course. Most people need multiple reminders, on multiple platforms, before they pledge.
CAMPAIGN TIMELINE

• The start has the excitement of the launch, and the end has the urgency of time running out

• Be prepared for two weeks of tumbleweed & nail-biting in the middle

• Create content to release during this period - we published a series of blogs about our R&D which were re-published by an online magazine

• Plan new reward tiers to release to give you something new to talk about
TIPS

• SET YOUR BUILDING ON FIRE: Well maybe don’t go quite that far, but EMERGENCIES provide a strong motivation for people to give/pledge, so think about how you can create urgency within your campaign, though be wary of seeming desperate

• BE EFFICIENT WITH YOUR TIME & MONEY: Tie in the crowdfunding campaign with a marketing campaign you already have planned if you can
MORE TIPS

• MAKE THE CAMPAIGN LOOK SUCCESSFUL WHEN YOU GO PUBLIC: Have a 3 day soft launch before you promote the campaign & get your close friends, family & core supporters to pledge during that time

• KEEP THE CAMPAIGN FRESH & DYNAMIC DURING THE ‘SLUMP’: Plan new reward tiers to release during the 2 week quiet period in the middle, and publish behind-the-scenes content to maintain interest
WOULD I DO IT AGAIN?
RESOURCES

• http://www.crowdingin.com - choose your platform & get tips

• https://www.kickstarter.com/help/faq/kickstarter+basics - Kickstarter basics

• https://www.kickstarter.com/help/faq/creator+questions - in depth FAQ for project creators on Kickstarter

• http://craigmod.com/journal/kickstartup/ - an old article, but a very detailed & well researched blow-by-blow run down of planning a Kickstarter campaign

• http://www.blasttheory.co.uk/crowdfunding-a-guide-by-blast-theory/ - an excellent and thorough guide to running a crowdfunding campaign - this was our go-to guide when planning & running our campaign
THANKS FOR LISTENING

ANY QUESTIONS?

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