WHAT IS CROWDFUNDING?

AGENDA

What is Crowdfunding and who should use it?

Kickstarter vs. Indiegogo vs. GoFundMe: The top three crowdfunding platforms.

Who should use each platform?

WHAT IS CROWDFUNDING?

Traditionally, creators brought their project to a distributors who decided whether consumers would like your product enough for them to stock it.

Crowdfunding flips that paradigm on its head and cuts out the middle man.

Now, the creator brings their product directly to consumers and tries to raise funds for their project directly from them.

CROWDFUNDING= DIRECT CONTACT WITH YOUR FANS WITHOUT THE MIDDLE MAN.

WHO SHOULD USE CROWDFUNDING

Creators who have a vision, but are having trouble finding a distributor to bring it to market.

Innovators with a small fan base who want to create their own projects.

Inventors looking to prototype their creations.

…And anybody that wants to bring a project into the world!

KICKSTARTER VS. INDIEGOGO VS. GOFUNDME

The top three crowdfunding companies in the world are used for different types of projects.

Kickstarter = creative projects.

Indiegogo = creative projects, along with funding charities and other campaigns.

GoFundMe= personal fundraising like raising money for funerals or surgeries. No project needs to be involved.

WHAT IS KICKSTARTER?

Their mission statement:

Kickstarter helps artists, musicians, filmmakers, designers, and other creators find the resources and support they need to make their ideas a reality. To date, tens of thousands of creative projects — big and small — have come to life with the support of the Kickstarter community.

IN A NUTSHELL: Kickstarter is the world's biggest crowdfunding platform designed to raise money for creative projects.

THE RULES OF KICKSTARTER

Projects must create something to share with others.

Projects must be honest and clearly presented.

Projects can't fundraise for charity, offer financial incentives, or involve prohibited items.

HOW DOES KICKSTARTER WORK?

It is only for projects. You cannot fund a company, a charity, or a personal goal (like getting a nosejob) with Kickstarter.

Projects must fall into one of these categories: Art, Comics, Crafts, Dance, Design, Fashion, Film & Video, Food, Games, Journalism, Music, Photography, Publishing, Technology, and Theater

It is all or nothing. If you don't fund, you don't get ANY money.

THE BENEFITS (AND PROBLEMS) OF KICKSTARTER

Highest traffic so more people will view your project.

Only for creative projects, so there is no clutter with personal fundraisers or charities.

Most name recognition and credibility in casual conversation.

However:

You can't create a team campaign on Kickstarter.

It is very subjective to get into the Spotlight and Project of the Day categories.

WHAT IS INDIEGOGO?

Their mission statement:

Indiegogo is a way for people all over the world to join forces to make ideas happen. Since 2008, millions of contributors have empowered hundreds of thousands of inventors, musicians, do-gooders, filmmakers—and other game-changers—to bring big dreams to life.

IN A NUTSHELL: The second most popular crowdfunding platform for creatives, that allows for more flexibility with funding options and types of campaigns.

HOW DOES INDIEGOGO WORK?

Campaigns have the option to be Fixed or Flexible.
- Fixed campaign = all or nothing
- Flexible = more expensive, but you get to keep all money raised.

Unlike Kickstarter, you can create a TEAM to manage your campaign.

You can run a campaign related to a charity, or even fundraise for a personal project like surgery for your dog.

Categories are much more flexible.

THE BENEFITS (AND PROBLEMS) OF INDIEGOGO

More flexibility in funding and category types than Kickstarter.

Ability to create a team campaign managed by multiple people.

Objective way to get on the front page and boost your reach.

Much easier to work with public relations and marketing companies because of known strategies for promoting campaign.

However:

Less traffic, especially for creative projects not in the tech field.

Creative projects compete with charities and personal fundraisers.

WHAT IS GOFUNDME

Their missions statement:

The beauty of GoFundMe is that it allows campaign organizers to invite others to take part in their story. Just as we share parts of our lives on Facebook, we also want to share our dreams, pursuits, celebrations and challenges online with crowdfunding. People will always be eager to support others they care about. GoFundMe removes the physical barriers traditionally associated with receiving financial support from the people in our lives.

IN A NUTSHELL: GoFundMe is the third most popular crowdfunding website, used mostly to fund personal missions.

HOW DOES GOFUNDME WORK

Campaigns are flexible and fund immediately. Kickstarter and Indiegogo make you wait until the end of the campaign.

There are no rules as to what kinds of campaigns can be funded. The top kinds of campaigns funded are: Medical, Volunteer, Emergencies, Education, Memorials, Sports, and Animals.

THE BENEFITS (AND PROBLEMS) OF GOFUNDME

You get the money immediately.

There are no restrictions on what you can fund.

However:

It has a terrible reputation for creative projects.

Very few people visit to help fund creative projects.

Very little comparative traffic for people looking to fund other projects. Mostly just for people trying to raise within friend groups.

WHAT THEY ALL HAVE IN COMMON

They all charge fees.
- Roughly 5% administrative fee
- 3%-5% credit card processing fee.

None of them work offline, which makes fundraising in person difficult.

All of them function similarly in the background. They all have campaign dates. They all they bars that show progress. They all have campaigns that can be shared.

THE BIG DIFFERENCE IS IN THE PLATFORM'S FOCUS.

WHY TO USE EACH PLATFORM

When to use Kickstarter:

If you want the biggest audience possible.

If you have a specific creative project.

When to use Indiegogo:

If you have a charity or a consumer tech product.

When to use GoFundMe:

To raise money through personal fundraising.

THERE ARE DOZENS OF OTHERS...

There are dozens of other crowdfunding website. These are the top three.

You can use others, but they have even less traffic than the ones above, and their success stories are nowhere near as powerful. For the right niche, they can be effective though.

THEY ARE OUT THERE.