

Z AAR'S GUIDE

TO A SUCCESSFUL CROWDFUNDING CAMPAIGN



GREAT IDEAS FUNDED



Nurturing startups to shape the future.

Market entry decisions are some of the toughest a business leader ever has to face, which is why it pays to have a trustworthy partner to help your business venture take off in the right path.

Grant Thornton can do just that, providing startups and growing businesses with the necessary guidance and practical solutions to ensure that your business idea is a success. We will help you formulate the right business plan, assist you with setting the ideal structure to best support your business initiative, and guide you to decide on how to raise finance efficiently.

Get in touch if you want to know more.

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Grant Thornton
An instinct for growth™





YOUR CAMPAIGN

The world is shaped by great ideas that have been turned into reality.

If you're reading this, it means that you've taken the first step towards crowdfunding your idea, so... Congratulations! You've already gone further than most, and that's definitely something to be proud of.

But, before we kick off your project, let's start at the beginning.

WHAT EXACTLY IS CROWDFUNDING?

Crowdfunding can help an idea, product or project get funded through the small donations of many. It's by no means revolutionary in its practice – in fact, people have been doing this for hundreds of years – but the benefits of this in today's world are endless.

At the end of 2015, crowdfunding was estimated to be worth some €32.45 billion globally, and projects hoping to get crowdfunded included everything from fashion brands to music albums, and the restoration of historical buildings to charitable work. Clearly, people are more eager than ever to help fund projects that they believe in.

WHAT ARE THE MAIN BENEFITS OF CROWDFUNDING?

By crowdfunding in the age of technology and social media, your network is expanded exponentially and strangers living hundreds of miles away can become your direct customers, consumers and backers. Because of that, crowdfunding doesn't only mean that great ideas actually get funded, but that you'll also gain a following at the same time.

Are all projects crowdfundable?

Well, the long and short of it is 'no'. Crowdfunding projects – at least for the most part – need to tick all four of the following requirements:

- Target the mass market
- Create innovation or be innovative
- Are unique
- Solve a problem.

If your idea can do all of that, then you may be on to a winner!

CONSOLIDATING YOUR IDEA

Ever since ZAAR.com.mt was founded, we've had hundreds of people come through our doors with ideas: some were fantastic, some needed polishing, and others simply wouldn't have worked – but all of them were worth discussing.

So how do you know which ideas will be successful and which won't?

Well, before you start working, you need to be sure that you understand:

- The basics of your idea
- Your target market
- Who your supporters are
- Who the competition is
- The process that will take you from idea to reality.

This is the single most important step in any campaign, as it will directly affect how successful your project is!

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GRAB A PEN AND PAPER, AND ANSWER THE FOLLOWING IN DETAIL:

- ☑ **Why should people care about my idea?** This helps you understand the true impact your idea could have, which will, in turn, determine the angle you should give your campaign.
- ☑ **Why should people part with their hard-earned cash to support it?** This allows you to understand the mind-set of your backers, and to think about how best to communicate with them.
- ☑ **How can I make this idea better and more sellable?** This hones the two answers above, giving you a clear vision for your campaign, your marketing, your tone of voice, your visuals and where to distribute all of this.

*To help you create a more cohesive plan, we have also created **The Crowdfunding Canvas document**. This 'living reference' document will help you lay down everything on paper, giving you a more visual feel of your campaign. You can find **The Crowdfunding Canvas** on page 17.*



PRE-CAMPAIGN

Planning is half the work done.

In the introduction, we discussed what you need to do to get your idea viably crowdfunded. If you're struggling to answer any of the three questions posed, then why not get in touch with us? We're here to help from the get-go!

As an entity set up as a joint venture between the University of Malta and the Malta Business Bureau, we have the expertise, skills and resources to help you at every stage. After all, we understand that coming up with a winning campaign takes time, energy and effort, but it will be wholly worth it if it means that your campaign catches backers' attention once it goes live.

READY TO MEET US?

When you come to ZAAR.com.mt, you'll get to meet an expert team of people qualified in the different areas and skills you'll need to guide your crowdfunding campaign's success.

We look forward to hearing about your idea, and to giving you constructive feedback on everything from your concept to your campaign plan... The plan here is to help sharpen your vision and polish anything that may not be up to scratch. Our suggestion, quite obviously, is that you take all the feedback on board, but rest assured that your idea will always be yours in both theory and practice.

Before the campaign goes live, however, there are a number of other things you will need to work on.



TEAM

While a crowdfunding project can be done solo, there is strength in numbers. Having others helping the project directly will bring more experience, ideas, expertise and skills to the table – and it also means that your workload will never become unmanageable.

Many come to us as a team, and that's fantastic. But if you don't have a team yet, then you could look for people who are passionate about what you're doing and who are willing to dedicate time to the project. We could even help you find them!

Tip: Work with people who you have worked with before or who you know are good team players.

PROJECT GOAL VALUE

Experience has shown that campaigns that start off with a small, achievable target are much more likely to successfully crowdfund their campaign and to exceed their initial goal. The trick here, if you're looking to crowdfund for a large sum of money, is to break it down into various crowdfunding campaigns or to create a number of targets along the way.

No matter how much you're looking to crowdfund, always ensure that you have at least 20-30% of the final target confirmed before you go live. After all, crowdfunding is just like a party: no one likes to be the first one there, particularly if they don't know the host.

Tip: The first 20-30% can be collected from family, friends and your established fan base or followers. This is also the period when word of mouth can be your most valuable tool as you promote yourself and your idea to others.

RESEARCH

Going over other campaigns and looking at what has worked and what hasn't will prove invaluable from the get-go. Take note of the way successful campaigns interacted with their backers, the tone of voice they used, the media they released to the general public, their timeline, the rewards on offer, and how they sold their ideas. When completing this exercise, it is also important to go over campaigns that weren't successful so that you can learn from other people's mistakes and avoid making them yourself.



Backing projects that entice you is also a great way of understanding crowdfunding from the backers' point of view and there's a lot to be learnt, too: How did the campaign catch your attention? What happened when you pledged your contribution (did they send you a thank you note, or keep you updated through newsletters)? Each of these is a vital part of the planning process.

Tip: Don't just look at campaigns that are similar to yours; instead visit the many different, international crowdfunding platforms and check out as many different campaigns as you can.

TIMELINE

From our experience, shorter campaigns tend to do better than longer ones simply because they don't have time to lose momentum. Most campaigns experience an initial surge of backers, followed by a sudden drop. When the idea is viable, it will continue to receive a steady number of backers and will experience another surge closer to the end. A month is usually ideal.

Tip: Do take into consideration the time of the year you're going live at: Christmas, for example, could prove challenging for certain crowdfunding initiatives.

STRETCH GOALS

You can use stretch goals when, instead of hoping to raise all the money at one go, you set different benchmarks for the funding of a project. This gives you the possibility of getting funded earlier, and means you can start working on the project before you reach your ultimate funding goal. This sort of tactic is normally used when crowdfunding for gadgets, where the first goal is set to help get a basic model created, while each stretch goal then gives backers added benefits and features should they be reached.

On top of extending your campaign in a way that always feels fresh, this also means that backers are more likely to ask their friends to donate to ensure each stretch goal is reached. Even so, the jump between goals doesn't need to be that big; in fact, the smaller it is, the more likely it is to be reached.

Tip: Stretch goals should be outlined and planned from the very start of the campaign. They should be used as part of your campaign strategy, especially as they can be one of the best ways of getting backers to feel more interested and involved in the project.

TITLE

Think of a title for your campaign that is catchy, short and interesting. Make it inspirational from the start and you'll be sure to attract backers' attention.

DATABASE

List all the people you know who will be interested in the project or product. Include family members, friends and acquaintances. This will make it easier to tell everyone about your project and raise funds. This database can also be used to send out newsletters, updates and so on.

Next, do some research on what is trending in newspapers, magazines, and on TV and radio to find out where your idea/product/project fits in. Ask around to see if you have any relevant contacts; you'll be surprised by how well some people are connected!

Tip: Take into consideration international publications and channels, including Facebook pages and groups. List these and get in touch with them all.



REWARDS

This will be one of the biggest investments in any crowdfunding campaign, particularly when you add up cost of production and shipping, and the time it will take to organise it all. Nevertheless, this is also one of the most important elements that will ensure your crowdfunding project's success. Each campaign will have different rewards to give out, depending on the nature of the project itself, but never underestimate the value of giving something back to supporters.

Rewards can range from personalised notes and mentions to the actual product that is being crowdfunded; and don't be afraid to let your imagination run wild here... Are you crowdfunding your new EP? Then why not create a personalised mixtape for some backers? Crowdfunding for a DVD? Feel free to create a crowdfunding-only limited edition.

Make backers feel important through campaign-only rewards and benefits, and make getting these rewards as simple and as trouble-free as possible. Always keep in mind that while rewards can be as tangible or intangible as you'd like them to be, the important thing is that backers always feel like they are getting something in return for their contribution. This could be a book, a photograph, a piece of equipment, or simply a handwritten 'thank you' note for having helped out on a project.

Whatever you decide to give to your backers, ensure you are very clear about what they will be getting and when they will be receiving it. And while it is important to have a number of rewards on offer for different pledges, don't confuse backers with too many options.

Tip: Intangible rewards - such as mentions or digital versions of albums - can save you a lot of money and time.



DIRECTION

When it comes to the direction of your campaign, it is important to create something that is both positive and believable, as this will be the underlying factor in everything related to your campaign. Remember to always keep the tone of voice simple and friendly, and to put yourself in the backer's shoes, who may have no technical knowledge of the subject.

The best place to start is by sitting down and thinking of words that you could use to come up with a catch phrase or slogan. Always keep the description of your project simple, accurate and informative – make sure it explains your idea well and point out the benefit it will give to backers. And don't forget to always get someone to proofread the text and to give you feedback before you go live. Finally, don't forget to put work into your logo and choice of brand colours, as these also need to reflect the same project you're trying to crowdfund.

What else will I need for my ZAAR.com.mt page?





TIPS & FACTS


Be nice and genuine in your tone of voice, it draws people in.


CONTENT


While the content section of your ZAAR.com.mt crowdfunding page doesn't need to be extremely long, it is important to ensure what is written covers the following points:


 **Introduction** – Explain the project in brief and how it will make the backers' lives better.


 **Problem** – Why is this project needed? What will it fix or make up for? Why should backers care?


 **Solution** – How will your idea/project/product fix the problem?


 **Expected Outcome** – What will happen once you successfully crowdfund your campaign?


 **Specify the Timeline** – Not just of the crowdfunding campaign, but of the project in general. When did the idea come to mind, what has been done so far, and what are you planning on doing in the future?

 **How Will You Use the Money?** – Will it be used to buy the raw materials needed? Or to fund the research? People's hard-earned money matters, so let them know where it will go.

 **Explain the Rewards** – Explain the difference between the rewards and why pledging more will, ultimately, give back more to the backers.

 **Who you are?** And who is involved? – Introduce the team and the vision.

 **Validation and Testimonials** – Has anyone used your product? Are there any experts who believe in your vision? Let your backers know!

 **Call to Action** – It's time to get supporters to back you, so create a strong final section that will make them want to see the/their problem fixed through your idea!

MULTIMEDIA

Use infographics, photos, soundbites and anything else at your disposal to truly showcase what you're selling. Keep in mind that while you may know the project inside-out, your backers don't. And, while words are important, multimedia helps backers connect with your project on a deeper and more multi-sensorial level.

You need a video!

Our top recommendation is that every project should have a video, as this will help people understand and interact with your vision. Keep the video short and simple in essence, but make it as inspirational and aspirational as possible: this may be your only chance to get people to connect with the project, encourage them to check out your ZAAR.com.mt page and back your project.

If you're not sure where to start, or how best to present your project in video-form, research past local and international campaigns that feel similar to yours for inspiration; or ask creative friends (or us!) for help. Whatever you do, don't underestimate its importance!

Tip: When creating the artwork for your campaign, make a list of things you'll need for the different platforms, including the various social media channels. This will save you time and hassle once you go live.

BEFORE THE LAUNCH

Once you go live, there are a number of things you'll need to do. So, before you hit that 'Go Live' button, remember the following:

First, create content to be sent out to your closest circle of contacts, such as friends and family, as well as those who have already expressed interest in your campaign. This will ensure that once the project goes live you can get in touch with them. Their help will be vital in ensuring that others see your campaign as viable and credible.

Second, create a bank of images to use while promoting your campaign. Whether it's for posts on social media or articles in the press, this bank will be tapped into numerous times over the course of the campaign, so it makes sense to have it organised and on-hand.

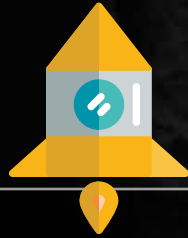
Third, get ready to kick-off the campaign with bang by setting up all your social media channels. At this point, you may want to consider holding a launch event for supporters and the press. More information about this can be found on **page 15**.

Right, it's time to go live!



TIPS & FACTS

Photography should be taken professionally to showcase your idea in a lifestyle environment not in a vacuum.



DURING THE CAMPAIGN

Fasten your seatbelts – the fun’s about to begin.

Many believe that once their campaign goes live, it is then time to let the Internet do the work. This isn’t the case... It is once a campaign goes live that the real work starts – but it will be much simpler to ensure success if you’ve followed our advice in the Introduction and Pre-Campaign sections.

What’s next?

When a campaign goes live, there will be an initial wave of support. This surge is often temporary unless you invest time and energy into promoting your ZAAR.com.mt page and the idea it’s there to fund.



AFTER THE CAMPAIGN

Every ending is a new beginning.

No matter what happens during your campaign, the legitimacy of your idea and campaign don't depend on your success but on how you deal with your backers before, during and after your campaign.

IF YOUR CAMPAIGN WAS SUCCESSFUL... ENSURE THAT:

- Each backer receives the rewards promised in the time they were promised
- You keep in touch with backers and continue to send them updates
- You stay active on all your social media profiles.

IF YOUR CAMPAIGN WASN'T SUCCESSFUL...

- Don't be disheartened. Many great minds had to try things out two, three or even four times before they managed to achieve their goals
- Keep your vision focused but be flexible in the way you get there
- Stay in touch with your backers and supporters: they were there when you needed them, so they deserve that at the very least

- Drop by our offices for a chat on how to move forward.

Also, remember that certain crowdfunding projects, such as **community projects** and **philanthropic ones**, can actually retain the money they have crowdfunded even if they did not reach their final goal. When this happens, the rewards promised to backers also need to be sent out, so when you claim your rights, remember that you also have obligations.

Either way, be sure that the money goes towards what you said it would go to.

SO, THAT'S IT?

Yeah, that's it. It's not rocket science; it's crowdfunding. And, we're incredibly excited to help you reach your goal!

LAUNCH EVENT

If your campaign was successful, then you should definitely consider having a launch event to officially and formally launch your idea/project/product onto the market. This doesn't need to be anything too fancy or expensive, but the benefits to your PR campaign

will be tangible as photos can be uploaded onto social media and sent out to the press. More importantly, however, it will give people a sense of pride to see that the project they backed has actually made it... Partly, thanks to them!



TO DO LIST



WONDERING WHERE TO START AND WHAT TO DO?

Use this list when planning, and throughout your campaign...

At each step, refer to the guide for more details.

Items marked with an * are optional



	Set up a meeting with ZAAR.com.mt. We can't wait to meet you and to discuss your ideas	
	Is my idea crowdfundable? (Yes? Great! What's next?)	
	Send us the required identification documents	
*	<i>Print the Canvas Document (Don't forget to fill it in as you go along)</i>	
	Why are you crowdfunding? (Set your pitch and story)	
*	<i>Put a team together (You'll need people who share your passion for the project)</i>	
	Research similar campaigns (and take notes)	
	Come up with a catchy title and a short tagline for your campaign	
	Draft and review the project description. (Go one step further by testing it out on friends)	
	Plan your budget and the minimum funding needed (Don't forget marketing and rewards costs)	
	Produce a great video and source good quality photos (Can't take them? Look for stock photography)	
*	<i>Identify engaging and interesting stretch goals</i>	
	Set yourself a timeline for the campaign, promotion and rewards fulfilment (and stick to it!)	
	Establish five-to-eight rewards (and ask your friends for feedback)	
	Create a database of your contacts	
	Plan your marketing and social media activities	

	Build your online community and draft targeted emails	
	Secure 20% of the funding from family and friends before the launch	
*	<i>Attend networking events (and speak to at least five people you don't know - especially about your project!)</i>	
	Release your team for 30 days of marketing and promotion	
	Launch the campaign - ideally with a launch party that will help gain attention	
	Reach out to family and close friends (they're the most likely to be part of the first wave of contributors)	
	Ask friends and acquaintances to share your campaign	
	Engage the crowd locally and abroad (and watch your campaign go viral!)	
	Send out a press release (in both English and Maltese) to all the media (print, online, TV and radio)	
	Contact companies for corporate sponsorships (do so by including a detailed business plan)	
	Deliver the rewards promised to your contributors (and don't forget to thank them again)	
	Keep your backers updated with future developments	
	Repeat all of these steps for your next campaign!	
DON'T FORGET TO	<i>Post regular updates on your social media platforms</i>	
	<i>Reply to any questions and comments about your campaign</i>	
	<i>Regularly thank your backers throughout the campaign.</i>	

CROWDFUNDING CANVAS

NOTES

VISION & MOTIVATION <ul style="list-style-type: none">• What are your personal drivers and motivation?• Which problem or issues is your project solving? and what is the added value for your backers?• What is the principal aim of your campaign? Finances, marketing and awareness or testing the market?• What makes it crowdfundable?	TEAM AND KEY RESOURCES <ul style="list-style-type: none">• Which resources in terms of time and staff do you have for the campaign?• Is the allocation of responsibilities and tasks during the campaign clear?• What are your core competences and where do you need external support and tools?	PROJECT GOAL & MILESTONES <ul style="list-style-type: none">• What is the goal of your project?• What will be done with the funds raised?• What are the milestones of the project?• Can these be translated in to different stretch goals?	COMMUNITY <ul style="list-style-type: none">• Which is the target group of the project? Who has most interest to support the project?• Which potential cooperation partners could be involved in the campaign?• Who are relevant influencers and opinion leaders?• Which existing networks and communities can be used to reach out?	REWARDS <ul style="list-style-type: none">• What do backers receive in return to their support?• What rewards fit to the project and the target group of the campaign?• What skills and resources do you have on offer?
BUDGET, COST STRUCTURE & FUNDING GOAL <ul style="list-style-type: none">• What is the minimum funding you require to realise your project?• What are the crowdfunding costs before, during and after the campaign?		COMMUNICATION PLAN AND ACTIVITIES <ul style="list-style-type: none">• What's the key message of the campaign?• What should the target group remember?• What is the story to be told?• Identify which communication channels will help you best reach your target group.• What's the communication and time plan of the campaign?		



CROWDFUNDING CANVAS

WORKSHEET

VISION & MOTIVATION	TEAM AND KEY RESOURCES	PROJECT GOAL & MILESTONES	COMMUNITY	REWARDS
BUDGET, COST STRUCTURE & FUNDING GOAL		COMMUNICATION PLAN AND ACTIVITIES		





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