



# Crafts Council

## Creating a successful crowdfunding campaign

### What is Crowdfunding?

Crowdfunding is a way to raise funds through a community or networks. There are different methods to raise finance, some of the main types are:

#### Reward

This is the most relevant type of crowdfunding. Supporters are offered a range of benefits from high-value artworks, tutorials to smaller gift rewards. The higher the value of investment given by the supporter or backer of the campaign, the higher the value of the reward given in exchange. Examples of platforms for this type of funding are [Kickstarter](#), [Crowdfunder](#) and [Indiegogo](#).

#### Loan

These are riskier as you are obliged to pay the loan back over an agreed amount of time. Loans often require a percentage of interest to be paid back which means you are paying back more than you borrowed. Loans tend to be applied for with a robust business and financial plan such as cash flow forecasts and evidence of a healthy financial track record for both personal and business credit ratings. Typically, loans can be applied to from banks.

#### Equity

This form of financial support is usually for high-value investment in a business idea that is likely to grow rapidly. Investors own a share of the company and if not silent partners, they will have a say in how the business operates. Examples of investors in exchange for equity in a business are members of the panel on Dragon's Den.

#### Subscriber

This method provides a regular paid membership service to subscribed clients. They may receive monthly access to blogs, videos and / or products. A popular US platform is [Patreon](#).

'You might access different types of funding  
throughout your career...every type of funding  
has different pros and different cons'

Heather Corcoran



## Why launch a crowdfunding campaign?

Crowdfunding can be a viable option for your business or a project. It's a process by which you can reach wider communities than your own network. It allows your supporters a front row seat in your practice as you document and share the creation of your project at each stage. This creates a longer-lasting relationship to build your community for the longer-term.

As you start to consider crowdfunding, it is helpful to ask yourself the following:

- What are you trying to achieve? Is it a product launch, equipment, or a large sculpture?
- Have you researched a range of crowdfunding options?
- What is your income goal?

Identifying these elements can set you out on the right pathway to achieving your goal.

## Why do people back campaigns?

- To support projects they think will do good in the world
- To support creative people and their ideas
- They like your reward offers and want to be amongst the first to have one of your products

A few go for the highest rewards in return for higher value funding for your project. These groups of people tend to be from the existing network you are already connected with.

'Backers support projects guided by the  
belief that an idea should exist in the world'

Heather Corcoran

## Top tips for running a successful campaign

### Do your research

Look into other successful campaigns on crowdfunding sites and find out what has made them successful. Find out how campaigns work by selecting one you like that emulates your idea and place a pledge for the lowest bid, this could be £5. This will give you access to the campaign and an understanding of how a campaign works from the perspective of a bidder. Lastly, consider if your idea is fit for the crowdfunding platform you have chosen.

### Refine your idea

Can you describe your idea simply and concisely? Make sure you are communicating



what makes it unique. Explain the benefits, if your project solves a problem discuss the context and show how your idea does or can solve the issue. Does your idea add value to a specific project or strengthen a community? Are you pushing the boundaries of a material or process and innovating a conventional process? These ideas all need to be explained in an easy to understand way. You can achieve this through writing, images, drawings, prototypes and video.

### **Be fully prepared**

If you aim to launch a product, make sure you are aware of the production timeline and that your product will be ready for production should you be successful. Create a budget of all potential expenses. If appropriate include a promotion and marketing budget for your project.

Consider setting a low goal for your funding target – a lower target can be achievable quicker and inspire more backers. Follow this initial project with further ideas and grow your network and project from a steady foundation. Be sure to create a realistic timescale. Consider any external factors that might affect your deadline, for instance for ordering materials or deadlines for manufacturing parts.

Select a range of rewards at different levels of monetary value. Have a range of offers, even a low value item that could be a digital asset such as a downloadable catalogue or exclusive video. Create a plan and plan backwards from your deadline. Do you have a network to help you spread the word? If not, we recommend spending time working on building a database or network before releasing a campaign.

Finally, make a plan B – a backup plan will be invaluable to keep you motivated if your campaign is not successful.

Good luck!

### **Useful links**

- Kickstarter: <https://www.kickstarter.com>
- Indiegogo: <https://www.indiegogo.com/>
- Crowdfunder: <https://www.crowdfunder.co.uk/>
- Sidekick: <https://www.oscarlhermitte.com/consulting/>  
(run by Oscar Lhermitte to support Kickstarter campaigns)
- Seedrs: <https://www.seedrs.com/>
- JustGiving: <https://www.justgiving.com/>