

The latest tool for civic participation in global affairs: crowdfunding campaigns.



Picture from Kickstarter's campaign with USA for UNHCR.

Written by Matthieu JOHN

A White House initiative brought together the United Nations Refugee Agency (UNHCR) and the crowdfunding platform Kickstarter in October 2015 in order to mobilize citizens to assist Syrian refugees.

**\$1,8
million**

The amount raised by Kickstarter and USA for UNHCR to come to assistance to Syrian refugees.

**\$2
billion**

Total amount of donation on the platform Kickstarter since its inception in 2009.

In just a week, the campaign mobilized 27,669 people around the world, which gave an impressive amount: nearly \$ 1.8 million. The funds are intended for "USA for UNHCR", which will use the money to provide assistance to Syrian refugees with food, water, clothing, and a special support to orphans. This initiative of the US government is somewhat unprecedented. This may be the first time a government has used crowdfunding in order to mobilize citizens around a global issue. It is in this context that Direct Diplomacy, which is very interested in the transformations caused by digital tools in our societies, focused on the use of crowdfunding in the field of global issues.

The crowdfunding "trend" has grown in importance these last years. The American platform Kickstarter is the best example of this. In early October, the global crowdfunding leader delivered impressive results: since its inception in 2009, the finan-

cing of its projects has passed the threshold of 2 billion through donations of 9.5 million people around the world. Other platforms, as Indiegogo, have had considerable success too. If crowdfunding manages to collect impressive amounts of money, not all the projects enjoy this success. This is particularly reflected in the success rate of projects on crowdfunding platforms. The success rate of a project on Kickstarter is for example 44% (in January 2014), whereas it is only 10% for a project on Indiegogo. However, each of the platform keeping its specificities, these results should be used carefully.

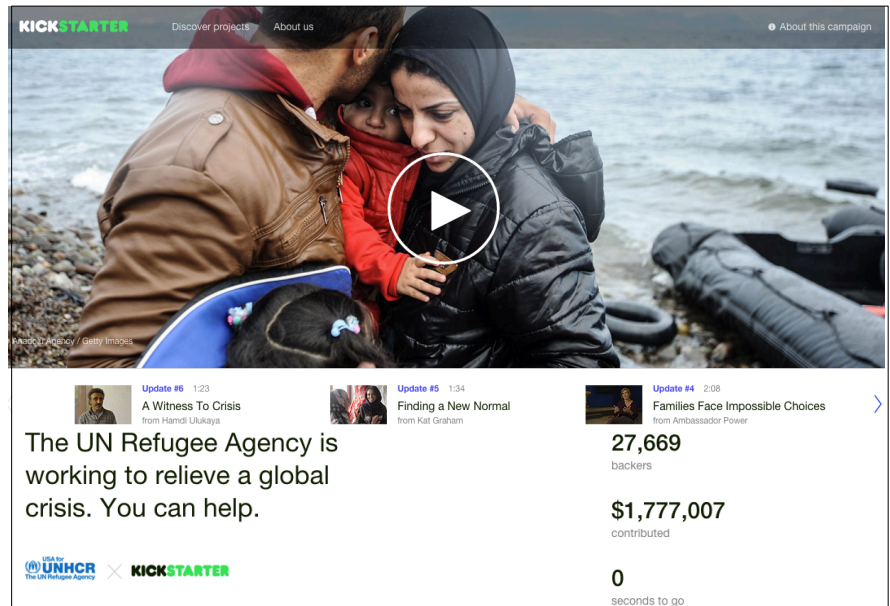
We then asked the following question: What contributes to the success of a project on a crowdfunding platform? There are several factors that enable the success of a crowdfunding campaign, but the following 4 points will most determine the impact of your campaign.

What financial model and which platform for my project?

First of all, choose the right funding model for you: charity, reward-based, equity or lending-based. The charity or donation model is often used for social projects. People will give funds without any expectation of return but get the satisfaction of helping others or a specific cause. The reward-based model allows a company to receive funds without any ownership in exchange, but a reward as recognition of the donation. Whereas the equity model implies that investors will receive equity in return of their donations. Finally, the lending-based model will let you borrow money from the public, which will be paid back later with interest. It is a simple, quick and cheap way of receiving funds but only a small percentage of applications are approved. The charity, reward-based and lending-based models are quite popular.

Then, according to the financial model adapted to your project, you need to choose the right crowdfunding site. There are many crowdfunding sites and each of these has its peculiarities. Some platforms accept any type of project. This is the case of Babeldoor or Cookie Jar. Other platforms are general but chose not to engage itself in particular fields. Kickstarter, for example, does not host charity projects. Finally, some platforms are oriented to specific sectors. ArtMarket Canada, for example, is specialized in creative and artistic projects. Fig specializes in video games.

The platforms also have different rules, beginning with the rules surrounding the financing. In some cases, it will be obtained only once the funding goal is



KICKSTARTER Discover projects About us About this campaign

Update #6 1:23 A Witness To Crisis from Hamdi Ulukaya

Update #5 1:34 Finding a New Normal from Kat Graham

Update #4 2:08 Families Face Impossible Choices from Ambassador Power

The UN Refugee Agency is working to relieve a global crisis. You can help.

27,669 backers

\$1,777,007 contributed

0 seconds to go

UNHCR The UN Refugee Agency KICKSTARTER

USA for UNHCR's campaign profile on Kickstarter.

reached. In other cases, it will be obtained even if the funding goal is not reached. Indiegogo illustrates the latter model: on this platform for example, if a project is funded at 80%, the proponent will receive the amount thought. A project on Kickstarter must be 100% financed before funds are released.

Note also that some platforms make a pre-selection of the projects. For instance, Ulule accepts about 65% of the project proposals. These differences should be taken into account, because depending on the platform, your financial goal will not be the same, nor will be your chances of reaching your objectives.

Eventually, not all platforms benefit from the same exposure. Having your project on a platform such as Kickstarter, which is very popular and gets lots of traffic, will give your project greater exposure. The success rate on Kickstarter is 44%, it is only 11% for RocketHub which is a smaller platform.

How to present my project?

The way you lay out your project will have a direct impact on your success. Here are six elements that any project must have:

A simple title: It should be short, catchy and easy to find through the crowdfunding website you choose and through general search engines.

A compelling description: Your project must be clearly presented, people should know who is behind the project, what problem you are addressing, where will the funds go and how it will be used, what will be the impact on beneficiaries, etc. You must find the appropriate balance between giving little information and too much information. You can refer to other similar projects that have experienced successful campaigns. Also, do not hesitate to appeal to emotions to maximize your impact.

A realistic financial goal: This must above all be reasonable and achievable. Look at a few

other similar projects before setting an objective. You will see that some project holders tend to be too ambitious, some not enough!

Creative rewards: Many project offer rewards to incentivize donors. The best ones are highly innovative. For instance, for the Syrian humanitarian campaign White Helmets, donor's names are inscribed on the ambulances that donations fund.

The more imaginative and personalized the rewards, the more people will donate.

A campaign video: With even a 2 or 3 minute video, you catch peoples' attention provide information about your organization, and bring in more contributors than through any other method.

Images: Don't stop at the video. The internet is a highly visual medium and potential donors will want to see as much as they can about a project: the beneficiaries, the members of your organization, the project in action.

You can also provide graphics that illustrate the scale of the problem you're addressing and the results you're achieving. One success-ful graphic used by a campaign that Kiron University launched to provide Syrian refugees with university education presented a "progress bar" that directly indicates the amount missing to finance the education of the next student. This motivated donors by showing the impact of their individual contributions.

Campaign length and momentum:

The concept of time will be fundamental throughout your campaign. First, you need to choose the right campaign

length. On the one hand, it must be long enough to capture public attention and convince potential donors. On the other hand, a long campaign will run out of energy and discourage donors. Time should still be long enough to let you reach your goal. According to Indiegogo, the optimal campaign length would be 45 days.

It is also important to think in advance about momentum. According to Kickstarter, once your campaign raises 20% of its funding goal, it has an 80% chance of success. This "turning point" depends on your funding goal: the higher it will be, the higher the turning point will be. If your campaign has a funding goal of \$10 000 or less, you need to reach only 15% of your target to have an 80% chance of success. But if your fundraising goal is \$100,000 or more, you need to raise 65% of your funding goal to get the same chance of success. And the faster your campaign will gain momentum, the higher its chance of success will be: campaigns that reach 30% of their funding goal during the first week have a higher success rate.

Promotion - the role of social media:

The success of your campaign will be closely linked to the exposure it receives. Obviously, you will want to use social networks – but how? Used correctly, both Facebook and Twitter can lead to widespread media coverage of your campaign. The luckiest campaigns benefit from the effect. This was the case of Norwegian journalist Gissur Simonarsson, who sought to raise money for Syrian refugee Abdul Haleem Al-Kader. He set up a hashtag for Twitter promotion of the cam-

aign: #BuyPens. The phenomenal spread of this hashtag allowed Gissur Simonarsson to reap more than \$175,000 in just six days. Make sure to link your project profile page to your organization's website so that prospective donors can get more details about the project, its progress or the people behind the campaign. Keep feeding your social networks throughout the campaign. One way to do so is to periodically release videos of interviews with beneficiaries to provide provide continual feedback to donors on the impact they are having.

A final note. In running a crowdfunding campaign, you won't be alone:

Any platform you use will have an interest in your success. Leverage this mutual interest to make the most of your campaign.

Contact your platform's "Help Center" for specific advice and useful information before, during and after your crowdfunding campaign.