



TEN MYTHS OF CROWDFUNDING



The Top Ten Myths of Crowdfunding

- 01** It's online panhandling
- 02** I might fail
- 03** I can't raise money without a fancy video
- 04** I'm afraid I won't reach my goal
- 05** I have to have a big social media following to be successful
- 06** I have no perks to offer
- 07** I don't have time
- 08** Crowdfunding is only about the money
- 09** I should wait until I have the perfect idea/product/etc
- 10** I'm not sure my idea will be accepted



Myths are stories — like ones about why penguins can't fly or why they like to hang out in big crowds. A big part of crowdfunding is storytelling, so at Indiegogo, myths are okay with us — unless they stand in the way of you funding what matters to you. And while crowdfunding might be reaching maturity (in Internet years), there are still a number of myths and misconceptions out there that we'd like to debunk for you. So, sit back, relax, and give your myths back to the Ancient Greeks and Romans.



MYTH # 1

It's online panhandling

FACT: Crowdfunding is shared enthusiasm for an idea and an opportunity for people to get involved.

Outside of fundraisers for charities, schools, or a nephew's baseball team, most people might be unfamiliar with asking others for money and therefore hesitant about doing so — and we get it. We've asked our parents for gas money when we were teenagers, and we've asked friends to cover our bar tabs in our twenties. We've heard crowdfunding called everything from “begging” to “panhandling,” but this couldn't be further from the truth.

Crowdfunding is telling a story that resonates with your audience and empowers you to fund what matters to you. Your campaign page gives you a space to share that story. The option of offering perks adds a further dimension to crowdfunding as contributors can receive something in return for getting involved in your campaign. You are asking people to support and engage in an idea you are proud of, not just to support you personally.

Crowdfunding is also not only about raising money. You are building an invested audience (beyond your parents) who will support your work, cause or project. Your campaign will be a healthy mix of fundraising but can also meet many other needs traditional fundraising does not.

You're not asking your parents for gas money — you are asking others to be a participant in a project about which you are passionate and about which they might also be passionate, whether it's a cause, product, creative project, or beyond. You are not passing the hat around — you are bringing an idea to life.

Resources: A pitch video is a great way to make a personal connection with potential contributors in a way that's far different from panhandling. Here are some **tips** to making a great one — and if you need some inspiration, check out **[Indiegogo's Top 12 Pitch Videos of 2012!](#)**



MYTH # 2

I'll probably fail

FACT: Crowdfunding is a way to test the strength of an idea and improve it with the help of others.

Crowdfunding is perhaps one of the best modern examples of the saying, “You won’t know until you try.” If you don’t pursue or share an idea that you are passionate about, then you’ve prevented any chance of it being realized. On Indiegogo, there is no idea that is too small or too big to be shared with the world, and we are a platform that is wide open for people to test the boundaries of creativity, compassion, and commerce. If a **baby** can be crowdfunded to life, then, in our opinion, just about anything is possible.

At Indiegogo, we also like to say that none of our campaigns are failures. Each and every campaign provides a learning opportunity for a campaigner — whether or not they hit their goal. By engaging with the crowd, you can receive crucial feedback that can allow you to tweak your idea and hone your approach. From a simple thumbs up to in-depth market research and validation, crowdfunding allows you to test your idea out in front of others.

Furthermore, Indiegogo is for and about you, and your happiness and success is our top priority. We are constantly creating educational resources to empower you to make the most of your campaign as well as offering you tools to enhance your crowdfunding experience. When questions remain, issues arise, or you would just like some advice, our Customer Happiness team is available seven days a week (at support@indiegogo.com) to give you the help you need.

If there is an idea you are passionate about, the only way it can truly fail is if you never try to bring it to life.

Resources: Our [Campaigner Field Guide](#) provides step-by-step guidance on running a campaign, our [Help Forums](#) are full of helpful information, and our [Blog](#) is regularly updated with tips, tricks, and inspiration.



MYTH # 3

I can't raise money without a fancy video

FACT: Storytelling is an important aspect of crowdfunding, but there are many ways to do it!

We agree that video is one of the best ways to make a personal connection with potential contributors, but it's a common misunderstanding that a pitch video needs to be professional quality to guarantee success. Given that the majority of computers and smartphones nowadays come equipped with some kind of video camera, you already have the basic ingredients for a pitch video that can lead to a successful campaign.

Whether you have a Handycam, iPhone, or a film crew and a \$15,000 budget, there are certain factors, however, that can make or break the effectiveness of your pitch video.

Star in your pitch video — This helps build a personal connection with your audience as well as trust.

Keep it under 3 minutes — Time is money, and money is time — so don't ask people for both. Be concise and to the point about who you are, what your campaign is about, and how/why you want others to get involved. We've got **data** to back up this insight!

Tell a story — Remember, you are not just asking people for money. You are asking them to collaborate with you on an idea that is very important to you. Let that passion shine through. Your pitch video shouldn't be an infomercial.

Also remember that “professional” and “creative” are two very different things! Even if you're using your smartphone to shoot your video, there's no reason you can't think outside-the-box with your presentation.

Resources: Start with some video **inspiration**, check out more pitch videos on our **YouTube channel**, and consider editing your video with these **easy-to-use tools**.



MYTH # 4

I doubt I'll reach my goal

FACT: Indiegogo offers an alternative to all-or-nothing funding, and there are a variety of strategies to use in picking goal size.

First of all, it's important to know that Indiegogo offers two funding options — “Fixed” and “Flexible.” Though Fixed Funding is an all-or-nothing setup, Flexible Funding lets you keep what you've raised — whether or not you've reached your goal. We often hear from campaigners who would ideally like to raise X amount of money, but they could still move their project forward even if they fall short of that target.

Goal size is definitely a key aspect of setting up a crowdfunding campaign, but there are a number of ways to approach making this decision to reduce risk — and stress. Start by planning a budget, picking an ideal amount you'd like to receive as well as a bare minimum to get the ball rolling (sharing this with your contributors is important for transparency and trust). Once you've got your budget, you can decide between Fixed or Flexible Funding and determine the amount of money you plan to raise. Keep your expectations realistic and remember that you should aim to raise about a third of your funds from your inner network — friends, family, and followers.

We've also seen many campaigners break their goals into smaller chunks — successfully funding their projects in multiple campaigns run sequentially.

Resources: Check out some [insights](#) into setting your goal size, more info on [Fixed vs. Flexible Funding](#), and a [campaign](#) with an original goal of \$5,000 that ultimately raised over \$700,000.



MYTH # 5

I need a big social following to be successful

FACT: Social media is only one of many tools that can help connect you with like-minded audiences.

Social media can be a great way to get a crowdfunding campaign out into the world, but it's not the only way to share your campaign. Sure, the more Twitter followers or Facebook friends you have, the more people a given post will reach — however, while this may raise awareness, it might not actually raise funds. A general post is far more impersonal than a phone call or a handshake

When planning your campaign marketing strategy, the more personal the “ask,” the better chance you’ll have of receiving a contribution (or share) in return. Email, for example, is often a **more effective way** of reaching contributors online because it’s direct and personal. We discourage campaigners from sending mass “BCC emails,” and instead encourage them to send individually-tailored messages. This will take more time, but it will almost certainly result in more contributions.

Even if you don’t have a large social media presence, there are still ways to use tools like Twitter and Facebook to promote your campaign. For example, search for public Facebook groups and pages that might be interested in your campaign. More open platforms like Twitter also allow you to seek out and interact with people who might be interested in your campaign — regardless of the number of followers you have. Also, remember that **adding team members** to your campaign will allow you to expand your overall social network and reach.

Resources: Check out our Crowdfunding **Marketing 101 Webinar** — and creative examples of **offline** and **viral** marketing!



MYTH # 6

I have no perks to offer

FACT: Perks can be just about anything — everyone has perks to offer.

The great thing about perk-based crowdfunding is that contributors can receive something in return for helping your idea come to life. And given that 87 % of successful campaigns offer at least one perk, we agree that they're important. However, they're nothing to be intimidated by!

To begin with, just about anything can be a perk, and they don't have to be directly related to the content of your campaign. Think about what you and your team members are good at — your passions, pursuits, and hobbies — and find ways of transforming them into perks. If you're raising money for a nonprofit or a film and you're also a great poet, you could also offer poems as perks! Maybe you love to run, and you offer a guided, scenic jog around your city as a perk? Maybe you give away hugs — or your famous chocolate-chip cookies. We've also seen perks that seek to engage contributors by giving them a chance to name the project or determine the color of a product.

Perks are also a great opportunity for **cross-promotion** with other people, businesses, or even Indiegogo campaigns! Maybe a family member or friend owns or works at a local business that might be interested in promotion via a perk on your campaign? Or an artist friend is willing to donate some of her work as a perk to gain exposure? Speak to your audience — what would they want?

Perks also don't need to be tangible — social media shout outs, thank you's on a blog, or a list of contributor names on a website are great no cost perks that are easy to fulfill and will get people excited to contribute.

The sky's the limit!

Resources: Check out the [Top 12 Perks of 2012](#). Learn more about the benefits of a \$25 perk and other [perk pricing strategies](#)! Make sure your perks don't violate our [Terms of Use](#) (i.e. no firearms, alcohol, tobacco, pornography, etc.).



MYTH # 7

I don't have time

FACT: As a platform and educational resource, Indiegogo provides you with tools and resources to save you time on your campaign, starting with the tips below.

Did you know that campaigns run by a team typically raise 70% more money than campaigns run solo? This is not only the result of expanding a campaign's inner and social network by adding more people, it's also representative of a campaigner's ability to delegate roles and responsibilities. A team also builds legitimacy for the campaign.

Team member roles could include someone to handle perks, someone to manage social media, and someone to interact with contributors. Team members could be family, friends, coworkers, or anyone you know who is excited about your campaign and wants to get involved — they don't even need to be in the same place as you!

If running a campaign with a team is not an option, don't worry! Indiegogo is a crowdfunding platform, not an Ironman competition, and there are many ways to run a successful campaign with limited time. We agree that 24 hours in a day isn't enough, but you are sure to find even a spare 30 minutes here and there to dedicate yourself to a campaign task — write a Facebook post, send an update to your contributors, reach out to influencers, snap a photo of a perk, or send an email to a few friends, telling them about your campaign. Though we recommend that people keep campaigns within 40 days, you do have the option of running your campaign for up to 60 days — you've got 1,440 hours to work with!

Also, always remember that, from our user-friendly campaign setup process to our Campaigner Dashboard, Indiegogo is also dedicated to providing you with tools that will help make your crowdfunding experience efficient and more fun.

Resources: Learn more about adding [team members](#).



MYTH # 8

Crowdfunding is only about the money

FACT: From market testing and audience building to marketing and pre-selling, crowdfunding has loads of benefits beyond pure capital. We are discovering more every day.

Awareness/Marketing: Artists, business owners, and crusaders alike need audiences, fans, customers, and supporters. Crowdfunding campaigns provide a platform for anyone to amplify their idea beyond their inner network — thus creating an extended network of likeminded people who will not just be interested in your campaign, but the continuing success of your project.

Market Validation: A “market” is any potentially interested audience for your campaign. By running and promoting your crowdfunding campaign (on any subject), you can gauge the interest of others in your project. You can then use this feedback to iterate, change course, or push full steam ahead!

Press: Local, national, and international news outlets (and blogs!) are constantly hungry for fresh, inspiring content to share with their subscribers. Every day, we see campaigns of all sizes and subjects featured in the press — further amplifying their messages around the world.

Serendipity: By sharing your idea on the Internet via a crowdfunding campaign, you are also opening yourself up to infinite **positive opportunities** that would have been impossible otherwise. From catching the attention of new investors or partners and **connecting** with future collaborators to simply receiving a contribution from a long-lost childhood friend, we are always hearing incredible stories of crowdfunding’s serendipity.

By the time you make it through these benefits (and there are many more), money starts to look like just the cherry on top!

Resources: Are you interested in crowdfunding a hardware or tech project? Check out these **additional benefits**. Try using some of these **online tools** to maximize crowdfunding’s benefits for your idea. Find out more about why crowdfunding can help your idea come to life in **this webinar!**



MYTH # 9

I should wait until I have the perfect idea, product, project, etc.

FACT: Crowdfunding can help perfect your idea.

The openness of Indiegogo allows people — at any stage of their project — to raise money. There is no need for your idea to be at any particular point of completeness or perfection. In fact, one huge benefit of crowdfunding is the ability to receive feedback from your audience and crowdsource solutions to your biggest challenges or open questions. By aiming for engagement with the crowd rather than initial perfection of your concept, you are actually allowing your idea to be more flexible to change and improvement.

We have seen successful campaigns run the gamut of “completed-ness.” Successful film campaigns have been run to fund a complete script, others to rent filming equipment, and scores to cover the expenses of post-production. We have seen product campaigns hit their goals that are based on primary renderings — as well as finished products that are using crowdfunding as a marketing tactic. There are musicians who are funding albums with only half the songs written — and bands who’ve already recorded the album and just want to print it to vinyl.

For many people, life has a tendency to get in the way, and if they wait until their crowdfunding idea is perfect, there’s a chance they may never get started. Taking the leap and sharing an idea with the world through crowdfunding can be that first step. By receiving the validation of the crowd — “We want your idea to come to life!” — you can get that motivation to complete your project, knowing that there is an audience out there.

MYTH # 10

I'm not sure my idea will be accepted

FACT: Indiegogo is an open platform — we don't have an application process.

At Indiegogo, we felt that life already had too many stressful applications to fill out, so we decided to not add to the load. Indiegogo is an open platform, meaning there is no application to fill out in order to start a campaign. Indiegogo was started to create an alternative to the gatekeepers of traditional sources of financing — bank loans, venture capital, etc. — thus allowing the crowd, the public, to be their own curators.

One obvious advantage of not needing to apply: You can launch a campaign and start raising funds today! Furthermore, you can spend less time trying to convince us that you have a valuable idea, and more time sharing your idea and engaging with potential contributors. In doing so, keep yourself open to the feedback you receive from friends, family, fans, and beyond because the more of them who “accept” your idea, the more contributions you are likely to receive.

Though you won't need to apply or earn Indiegogo's acceptance, you will need to attract an audience to your campaign. Following the aforementioned best practices described in this ebook as well as in our [Campaigner Field Guide](#) can go a long way in helping you attract the excitement and [trust](#) of contributors.

Resources: Indiegogo is an equal opportunity platform that has funded just about anything you can think of, but if you're worried that your campaign violates our [Terms of Use](#), feel free to reach out to our friendly [Customer Happiness](#). If a launched campaign violates US or international law, the campaigner [will hear from us](#).





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