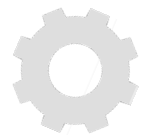
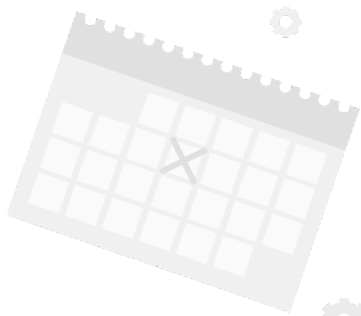




Marathons Versus Sprints: The Difference Between Crowdfunding & E-Commerce



KEY DIFFERENCES:

While typical marketing has the benefit of ample time, crowdfunding has a number of factors that increase the need for fast and efficient advertising. What makes it different from outside e-commerce? Once familiarized with these differences, we can examine what it means for the 4 stages of focus for a typical Kickstarter campaign.

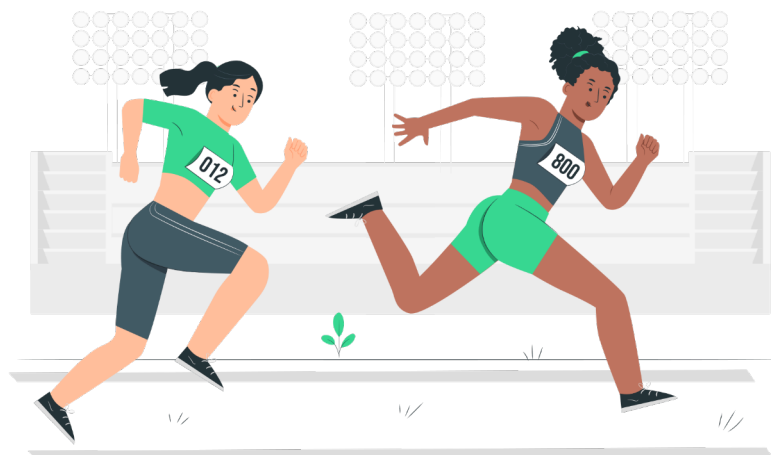
First of all, crowdfunding is done on a neutral pitch. Unlike an independent website, Kickstarter is a third party platform. This is the world stage for early adopters, as well as the place where the most innovative and young brands in the world perform.

The motivation of backers to back your campaign is a bit of a strange impulse: most of them didn't know anything about your brand, and didn't know such a product existed 2 minutes before they pledged. But unlike other impulse buys, Kickstarter projects have a slightly more expensive average that can get anywhere \$150 to \$200. Unlike other impulse purchases, a Kickstarter reward is not being satisfied any time soon. Backers often have to wait months, sometimes years, until they get what they are pledging for.

Another key difference is that your funding period has a set start date and end date. While it is a short period of time, you will see that the shorter it is, the sweeter it is. There's an exact moment where the campaign begins and when the campaign ends, meaning your marketing efforts are contained as well.

Lastly, your backer and pledge count appear right next to the campaign video, above the fold in the most visible section of your page. The first thing that you see is, of course, the video. But before a potential backer even considers watching the video, their eyes go toward the key metrics. They begin to determine their level of interest based on these numbers: how much money has been invested in your campaign so far? How many people have put their skin in the game? And how much time do I have left to make a decision? This has an enormous effect on people's willingness to pay, influencing their decision to back the campaign and see what the buzz is all about.

Now that the differences are clear, the four stages below can help prepare your campaign for success.



STAGE 1

GETTING READY

When preparing your crowdfunding efforts, it would be best to divide your efforts into two parts:

One part is content building. You should put an emphasis on A/B testing, or if you want to fully hone your assets, an approach more similar to A/B/C/D/E/F/G testing. Your images, your video, your copywriting, your calls to action, anything that has to do with how people would react to your advertising. How would people react to a shorter video over a longer video? How would one image and text pairing compare to another? This is the time to test it to perfection.

You want to remember that you're not trying to win any creative awards here: there is no need to overthink or over-produce your content. you need something that best communicates your value proposition and tells your story.

The second part is community building. You should run a pre-launch campaign to get at least a few thousands of leads lined up for the launch. Their incentive will be to grab the early bird rewards before they run out. Along with these initial leads, the other groups coming to your project first are often called The Triple F. Some refer to this group as friends, family, and fools, but this is a common misconception. We recommend considering The Triple Fs as friends, family, and fans.

Those in these circles are important as every single backer counts given this total is shown right next to your video. It helps people decide whether or not it's worth the time to watch your video.



STAGE 2

START STRONG

Once day 1 starts, the time for experimenting and testing is over. This is no time to do anything but the very best. Everything that you have prepared should be utilized on day 1: emails that you have collected, any earned media through PR and through influencers, you want to schedule everything for this key moment. Most importantly, the first, second, and third day of the campaign makes for some of the best days to spend advertising dollars. You have both the momentum of the beginning and the scarcity effect from early bird rewards, so returns are higher than usual. This is the right time to spend advertising dollars. As said before, we have a start date and we have an ending, so you want to highlight the freshness of your campaign that just launched.

Then, around day 4, you will see a mid-campaign slump. If you take the daily pledge count of a typical project, it looks like a sine wave: starting rather high the first two or three days, then sinking, and at some point towards the end of the campaign, rising back to the same high momentum of the beginning.



The mid-campaign slump is where, as far as Kickstarter is concerned, you get very little organic visibility. In terms of paid ads, this is not the best time to spend high amounts of advertising dollars as backers don't have a special incentive to back your project now. They had their incentive in the first few days, and they'll have their incentives in the last few days. In the middle, there's no rush on the one hand and there's no perk on the other.

For people you have already acquired, you want to minimize the communication with them. Every time you message them, you practically send them a reminder that they put money on your project and they can still take it back. If you have good news to share, you are free to send an update throughout the campaign, but try to minimize unneeded communication with backers as much as you can.

STAGE 3

PUSH YOUR LIMITS

Going back to the mid-campaign slump, it is an ineffective time and should be shortened as much as you can. This can be done by setting your campaign duration to no more than 30 days. If you're going to run for 60 days, you're not going to get double the organic traffic from Kickstarter. Much of the visibility you're going to receive comes from the first and last days.

You're not going to get double the traffic simply because you run twice as long: you're going to get the same organic traffic that you're entitled to based on how Kickstarter and the platform's community evaluates your project. As far as paid ads are concerned, it is better to push advertising dollars towards the end of the campaign and see the tailwind that comes with it.



While this is not a great time to spend advertising dollars, it is the time to push your limits. This is not the time to give up: you want to remember the true value of a Kickstarter dollar is almost always higher than the dollar value of a backer's pledge. During the campaign, any pledge, any dollar pledged, any backer added to your count helps you spike the Kickstarter algorithm for better visibility. It also shows higher numbers next to the video to get more people on board.

Once the campaign ends, you will enjoy the customer lifetime value that is always higher than the initial pledge. As for your future campaigns and future products, the customer lifetime value is higher than what people initially pledge. A successful Kickstarter campaign helps build your bargaining power, whether you talk to investors, vendors, or resellers. If you have thousands of people lining up for your product with millions of dollars of preorders, you're in a stronger position.

STAGE 4

FINISH SMART

In the last three days, you should focus on reengaging with visitors to your page, those who have signed up but never converted. You should send email blasts, as well as retargeting in ads, which is also called remarketing. Basically, show ads to people that had previously visited your campaign page. This is also a good time to check on backers who have canceled their pledge. You can see if they have changed their minds now that they see a high amount of backers.

This is also the best time for you to highlight the sense of urgency. Just as we focused on the start date, it's now time to focus on your ending. We want to highlight this sense of urgency and how much time is left, especially in ads. You want to post your social proof, such as how many backers you have and how much was pledged. Continue to emphasize scarcity, alerting potential backers that it is their "last chance" on a Kickstarter price.

Finally, you want to escalate advertising. This is where your marketing should boom: the last few days along with a sense of urgency manifested in the little time and the social proof of backers are playing in your favor. The people coming from paid ads, compared to organic traffic, are less engaged given most of them were just scrolling on their Facebook feed and clicked on an ad. They will only give you a split second, so if they see millions of funds raised and thousands of backers, they're much more prone to at least want to see what your project is about. If they fall in love while watching the video, then it's going to be a win.

