

7 reasons why crowdfunding campaigns fail

Crowdfunding has become a go to option for fundraising in the last few years. Not many would like to believe that crowdfunding is rather an age old concept which has revolutionised the economy with years. Without a doubt crowdfunding is the most suitable method of raising funds for your cause, but understanding the nuances of the process can result in a failed endeavour. Here are a few reasons why any crowdfunding campaigns fails to meet its goal.

1. Lack of a proper strategy: A successful crowdfunding campaign is one which has been appropriately strategized at all stages. Most campaigns fail due to lack of emotional connectivity and a factual story. Backers connect more with the campaigns that are enthusiastic about the cause they are working for. Designing a proper strategy and working on the aligned goals at all stages keeps the backers engaged with your campaign.

2. No buzz before the launch: It is advisable to instigate a prelaunch buzz before crafting your campaign story. Creating a Facebook page, blog, video or a landing page and using multiple channels to share the idea of your campaign boosts up the success rate of any crowdfunding campaign. Once the campaign goes live, regularly update your prelaunch page with related content.

3. Not building an email list of potential backers: Reaching out to potential backers over and over keeps them informed about the progress of your crowdfunding campaign. Using email newsletter tools like MailChimp, MailerLite etc to acquire email addresses of your potential backers makes the job of regular communication easier.

4. Lack of frequency and consistency: Consistency is an integral component of any crowdfunding campaign. The frequency of reaching the potential backers through multiple channels determines the success rate of your campaign. Not employing social media messages, email newsletters, Instagram posts, images and videos to reach your backers at the proposed frequency can disconnect them from your campaign goals.

5. No personal communication with the potential backers: For a successful crowdfunding campaign, identifying your potential backers and giving them a personalised experience is essential. From a welcome email at signup to sharing updates about your milestones, it goes a long way to express your gratitude towards them. Reach out to them before you share an update on any of the social media platforms for they appreciate when they are the first one to know about any news on your campaign. Lack of this personalised attention is the reason why many crowdfunding campaigns fail.

6. Not screening your campaigning for a review: This is where many campaigns fail. Before launching your campaign to the world, invite all your subscribers, family-friends and supporters to review your campaign and share their inputs. Consider it a private launch and also request your personal crowd to fund the campaign.

7. Failing to use a good marketing strategy to launch your campaign:

Always launch your campaign aligning with your marketing strategy and if possible employ a PR team to appreciate the interest of your early supporters. Successful crowdfunding campaigns inform their supporters about their launch date well in advance and introduce their campaigns with drumrolls.

Tables can always be turned around. If you see your campaign crashing, evaluate the reason of your failure and launch a new one keeping the above pointers in mind. If you are not sure about how to raise funds for your campaign, Crowdera has a dedicated fundraising team which can be recruited to raise funds for your campaign.