



FROM THE FRONT LINE



By Kristi Trevarrow

HOW NOT TO RUN A CROWDFUNDING CAMPAIGN

Okay, maybe that's a little harsh. At the end of the day, our crowdfunding campaign was successful so I guess it wasn't all that bad. As with most epic stories, it's always best to start at the beginning.

Last year, when we received bids for our annual holiday lighting event, The Big, Bright Light Show, we were stunned and bewildered to see that the lowest bid was 2.5 percent higher than the previous year. Did I mention it was the end of August and installation begins October 1? There was absolutely nowhere in the budget to find the extra money that we needed. We didn't have time to reissue the Request for Proposals (RFP), and we couldn't postpone the installation date because they need every day possible to install the 1.5 million lights, so we were in a quandary.

We seemed to have two options—downsize the show or find the money somewhere else. I couldn't even fathom

the idea of going to the business owners on Fourth Street and telling them that, through no fault of their own, they weren't going to have lights this year. When we took that off the table, we were left with only one option—fundraising. We brainstormed for days trying to come up with a winning idea. Merchandise sales, a big membership drive, additional sponsorship opportunities were all put on the table, but we needed to raise \$25,000 and we needed to do it fast. It became clear that we had only one viable option—crowdfunding.

I had done my research on crowdfunding a long time ago and identified it as a definite possibility for fundraising if the right project came along. It was never my intent to take our largest, most important event and use it as a crowdfunding guinea pig. But the days were ticking down and we were running out of time. So it began....



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The Big, Bright Light Show, which was launched in 2005, is Rochester's signature event. It has grown from 500,000 LED holiday lights to more than 1.5 million. The month-long event attracts more than a million people to the community annually.

Building a Campaign

First, we needed to choose a platform. In my research, I had identified Indiegogo and Kickstarter as our best options. Kickstarter had the high-profile brand recognition, so that's the direction we decided to pursue. As we started to build our campaign, we needed two key things to make it effective—exciting rewards for donors and a compelling video.

We started with the rewards. It became apparent rather quickly that without a large quantity of cool rewards at various donation levels, our campaign would be over before we even got started. We had some merchandise, but not the quantity or variety needed for this type of campaign. We couldn't afford to buy any items to offer

as rewards because that would be counterproductive and increase the amount of money we'd have to raise to offset the new expenses. So we went to the merchants to seek donations, and they jumped on board immediately. We received everything from gift certificates and jewelry to spa treatments and music lessons. We were on our way. Now all we needed was a cool video.

When we sent out the request for donations, we received a call from a local videographer who had seen our request and wanted to know if we could use any video services? Ah yes, things were falling into place nicely as we made a new friend at Third Street Films. Soon our video was ready to go. All that was left was to upload everything to Kickstarter for their approval. Simple, right? Not exactly.

Navigating the Obstacle Course of Crowdsourcing

The process of uploading everything to the site was very user-friendly and was ready to go within a day. So we pressed the “Submit” button and we waited. And waited. In their extensive guidelines, Kickstarter does say that it could take up to a week to get a response, so we weren’t too worried. About three days later, we finally received an email from Kickstarter...at 3:30 am. I discovered it when I got up the next morning.

They had concerns about how we chose our category “Art” for the project and said we needed to provide an explanation before they would give approval. Truth be told, none of the other categories fit our project so that’s why we chose “Art.” However, I really couldn’t tell them that, so instead I spun a yarn so wide and grand about how “historic buildings are our canvas and the lights are our paintbrush....” (Yes, I know, but what could I do... I needed to raise some dollars and failure was not an option.)

So I sent back my creative writing piece and waited. We received a response the next morning...at 2:30 am. Now they approved the category, but had a problem with all of the “third-party rewards” because we cannot involve other businesses that do not receive a direct benefit from our campaign so all of those would have to be removed if we wanted approval. Without those rewards, we were sunk. I got out my creative writing cap once again and explained, truthfully, what our

organization does and that we represent all these businesses, which would absolutely benefit from our campaign. I challenged Kickstarter by saying that while this campaign was a bit out of their strike zone, Main Street communities are a huge potential market for their services and wouldn’t it be great to use us a pilot project to see what would happen. Then I hit send and waited. And waited.

We waited for another three days. I re-sent the email and sent notes to the help line. I would have called, but Kickstarter doesn’t have a published phone number so that was super fun. Finally, we had to make the call. We were planning on running the campaign for two weeks and we had to pull the trigger now.

So after all the time invested, we made the switch to Indiegogo. We knew it didn’t have the same name recognition, but you could pretty much create a campaign to send your gerbil to college and they would approve it, so off we went and launched on Indiegogo. Almost exactly eight hours after we launched, we heard from Kickstarter. Aagh!

Kickstarter loved the idea of using us as a pilot program to test this downtown market and gave us their blessing. So now what? We had already raised about \$1,500 on Indiegogo but if we were decided to make the switch, we had to do it immediately. Within about 20 minutes, I knew what the right (yet painful) decision should be and I switched us over to Kickstarter. Now the real fun began.



An Uphill Road to Success

And when I say fun, I mean my worst nightmare came true. Remember when I said that I didn't want to use The Big, Bright Light Show as the pilot for this type of campaign because I knew it wasn't a good fit. I really hate it when I'm right. To promote our campaign, we had to rely heavily on press coverage and social media. On the press side, we had to portray the fundraising campaign in the most positive way possible because the last thing we wanted to do was tarnish the reputation of the show or Rochester. Social media was a bit trickier since people can respond to you instantly. And oh, did they ever.

Within the first few hours of the Kickstarter campaign, I received some of the meanest, nastiest, most accusatory comments ever. Many people were absolutely appalled that we would dare to ask for donations for lights when there were starving people in the world. Okay, I get that there are plenty of other worthy charities out there. And we certainly weren't suggesting that people stop supporting those charities and instead give us their dollars. So after some hard thinking and a good cry in my car, I decided that we couldn't go back; we had to keep pushing because this was too important to our businesses and our town. So we pressed on.

Facebook banner for the Big, Bright Light Show Kickstarter campaign.



Donations began to trickle in, slowly but surely. But it was easy to see early on that this was going to be a long, painful road to success. By the beginning of the second week, it was obvious that unless a miracle happened, we weren't going to succeed. Then, two miraculous things did happen. First, on a whim, we decided to send out an updated press release and it got instant traction from key television and radio stations in Detroit. Secondly, an angel investor called and offered us \$10,000. One catch—he didn't want to put the money down unless it would make us hit our goal.

Our campaign was ending on Friday at noon so we had to hustle. We worked the press and we worked social media, but on Friday morning, we were still \$4,500 short of the amount needed to get the \$10,000 offered by our angel investor. But while I was telling my organization committee that I was preparing for my first professional project failure, something happened. We got a call from our local utility company, DTE Energy. They wanted to talk about the light show. The gentleman informed me that after hearing about our funding issue on the news, our County Executive had called the CEO of DTE Energy and asked him to help us. They were willing to give us \$5,000 immediately.

After I pinched myself to make sure I wasn't dreaming, I said "thank you very much" and proceeded to help him make DTE's donation on Kickstarter. Without missing a beat, I picked up the phone and called our angel investor to see if he was still willing to contribute. He was and

so at 11:05 a.m. on the last day of the campaign, we were officially 100 percent funded. Woohoo!

Was this the best project for crowdfunding? Probably not. Did the end justify the means? Yes, indeed. And we learned plenty of lessons along the way. At the end of the day, crowdfunding is absolutely an exciting tool to use and is destined to be a part of future downtown fundraising strategies. However, it's important that you know your options and really take the time to evaluate your pitch before you take the leap into the deep end of the pool called crowdfunding.

Watch Rochester's Kickstarter video:



Kristi Trevarrow is the executive director of the Rochester (Michigan) Downtown Development Authority. She has more than 15 years of experience in downtown revitalization and destination marketing. She is also the creator of The Downtown Geek, a blog dedicated to spotlighting successful community development practices.